

Public Administration

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Summer Conference, 1935

THE Summer Conference of the Institute of Public Administration will be held in Edinburgh, from 28th June to 30th June, and in Glasgow on 1st July, 1935. At the Edinburgh sessions the Chair will be taken by Sir James Leishman, J.P., and at Glasgow the Chairman will be Dr. A. S. M. MacGregor, D.P.H.

The following papers will be discussed:—

Friday, 28th June.

THE ADMINISTRATIVE PROBLEM OF A DEPRESSED AREA, by Mr. Kenneth Lindsay, M.P. for Kilmarnock. page 216

Saturday, 29th June.

STATISTICS IN RELATION TO ADMINISTRATION, by Mr. E. M. H. Lloyd, Secretary, Market Supply Committee, Ministry of Agriculture and Fisheries. page 222

Monday, 1st July.

ONE HUNDRED YEARS OF SCOTTISH LOCAL GOVERNMENT, by Sir Andrew Grierson, LL.D., S.S.C., J.P., formerly Town Clerk of Edinburgh. page 230

The Administrative Problem of a Depressed Area

By KENNETH LINDSAY, M.P.

[*Paper to be discussed at Summer Conference, Edinburgh,
28th June, 1935*]

THIS paper might with more accuracy have been called "The Administrative Problem of a Region" as distinct from the similar problem in a normal local authority area or in a depressed area. In fact, of course, the administrative problems in a depressed area immediately raise a score of questions which demand regional treatment, and it may well be that the experience gained by the Commissioners will throw a flood of light on the future of central and local government. It is my task, however, to isolate some of the major problems which confront the Special Commissioners and to analyse the powers which they possess.

The unique feature of a depressed area is geographical unemployment, but the fundamental reason for its existence is economic disequilibrium. It is clear that there is more than one explanation of that disequilibrium or unbalanced economy, and therefore one must make at the outset a few assumptions in economic theory.

I am pre-supposing the assumption of a right to a certain standard of living and also that employment must be profitable in the generally accepted sense of the word. (No doubt a thoroughgoing Socialist would make different assumptions and consequently propound different administrative remedies). Profitability depends upon demand and demand is constantly changing. If a gulf is allowed to open between the demand for a group of products and services and the supply of these products and services, either through failure to reduce costs, failure to improve and modernise design, failure to adapt selling methods or capacity to changed consumption requirements, unemployment and labour friction must result. Economically the presence of unemployment points to a lag in adaptation of the supply factor to the demand factor, and vice versa. It may of course also be caused by the exhausted mineral resources of a district. Psycho-

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logically unemployment betrays a failure of adaptability either at one point in the industrial process or at several points. Widespread and prolonged unemployment does not occur until loss of flexibility has reached a dangerous point. When it occurs, far from compelling a solution it intensifies the rigidities which are the cause of the trouble. There are many reasons for this. Economically unemployment undermines business confidence and damps down new enterprise or large-scale changes. Its incidence drives up local rates and taxation, thus imposing a further load on business. The plight of the unemployed tends to increase social suspicion and to produce an atmosphere uncongenial to the incomer, while the more enterprising of the existing personnel have a strong temptation to quit. On top of all this comes the inevitable degeneration in the state of the unemployed themselves.

It is necessary, therefore, to attack the economic and psychological factors which caused these areas to become depressed in the first place, as well as to perform the inevitable red-cross work which may take the form of special financial assistance at various points where men and money can help.

There are one or two salient and common characteristics which distinguish a depressed area from a prosperous area. Firstly, the depressed area is usually dominated by one or two big main industries dependent either upon the export market or the capital goods market or both, and therefore especially vulnerable to depression. Secondly, these areas are ones which usually enjoyed prosperity anything from twelve to forty years ago. This has usually been accompanied by a speculative boom, which has put a large share of the control in the hands of outside financiers or banks, who are fearful of losing their capital. The presence of such an element involves prolonged price-cutting, eliminates profits and makes difficult the introduction of new capital. Thirdly, on the labour side these areas are left with a huge excess of elderly personnel who cannot transfer easily to other occupations, and this fact restricts alternative development which might have counterbalanced the depression. Finally, the depressed area is often obsolete in lay-out and ancient in design. Its physical equipment is in need of complete modernisation.

Only by a thorough analysis and survey of these and other factors can fresh means be found of tackling the problem. Apart, therefore, from red-cross work the problem needs a central attack, involving trade policy, both domestic and external, agricultural policy, financial and rating policy, and a host of kindred matters. But acute geographical unemployment has so strained the resources of local government that a new crop of problems in administration itself has been raised.

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For many years the Ministry of Labour have scheduled certain areas where the percentage of unemployed in the heavy industries was particularly acute. Special schemes of transference and training were based on these areas. Liverpool was, for example, included as a special area in relation to the transference of juveniles. Then the Ministry of Health recognised another set of "distressed" areas for the purpose of special block grants. Again, the Board of Education weighs its grants to certain other areas according to the number of children attending elementary schools. The problem of special grants has recently become acute again in connection with the partial transference of the unemployed from local authorities to the Unemployment Assistance Board. Finally, the surveys made by the Universities and the reports of the Commissioners within the last few years have produced the four main areas which are now known as "Special Areas," one in Scotland, one in Wales and two in the North of England.

On 21st December, 1934, the Special Areas (Development and Improvement) Act received the Royal Assent. The Act provided for the appointment of two Commissioners, one for Scotland and one for England and Wales, though actually three district or regional commissioners were subsequently appointed, one for Wales and one each for North-West and North-East England. The preamble of the Act states that it is the Commissioners' duty "to initiate, organise, prosecute and assist measures designed to facilitate the economic development and social improvement in these Areas." The Scottish Commissioner is responsible to the Secretary of State for Scotland, the English Commissioner to the Minister of Labour. A sum of money has been set aside for the Commissioners, the Permanent Secretary to the Minister of Labour is the accounting officer for the Commissioners and all expenditure is under Treasury control. Broadly speaking, no grants may be made where specific Government grants already exist. In this way education, roads, housing and afforestation cannot be assisted, though water and sewage schemes, hospitals, baths and other amenities can be assisted. It is not therefore intended that overlapping with Government Departments should take place, nor are ambitious schemes of public works anticipated.

There is one exception in the case of agriculture, where the Commissioner may capitalise grants to local authorities in order to make good deficiencies on small-holdings.

On the positive side the Commissioners are able to do two things for the Special Areas, they can improve their physical amenities, they can improve the physical personnel of the people. Under the first heading come such smaller public works as sewage and water, clearing derelict sites and creation of trading estates, grants to

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development councils for staff, survey and publicity. Under the second heading come such schemes as are assisted through the bottleneck of the National Council of Social Service, schemes which include women's occupational centres, boys' and girls' clubs, camps for children and aid to district nursing and maternity hospitals. In a word, the powers of the Commissioners are supplemental, not substitutional. For example, the Ministry of Labour is responsible for transference and training and has built up an elaborate technique to these ends. The Commissioner, however, may assist this work wherever necessary. In Scotland, for example, assistance has been given to sixteen physical training centres in the special areas. Again, in England the Ministry of Agriculture has agreed to give a pound for pound grant to the Land Settlement Association, but the Commissioner will also assist this body. Both in Scotland and England the Commissioners will assist financially unemployed men in building up small-holdings. No such power exists in the normal routine of the respective departments and county councils. Any prospect of the Commissioner being a semi-dictator is found to be inconsistent with the British constitution. He is directly prohibited from assisting private enterprise, but he may assist schemes which are thought likely to attract more private enterprise to these areas.

Without descending into details this is a general picture of the new super-department, staffed by civil servants but utilising the specialists in the various departments, which has been set up to attack the problem briefly adumbrated in the opening pages of this paper. Two questions remain: Is it adequate and will it work?

Few will doubt that the careful expenditure of a few million pounds on the many excellent schemes and projects enumerated above is sound practice. But experience to date suggests some uneasiness on the following questions:—

- (1) The relations between central and local government.
- (2) The over-centralisation of administration and the multiplicity of smaller authorities (this applies mainly to England).
- (3) The lack of a national policy and consequently an organ of that policy in relation to the drift of industry and population.
- (4) The need for a permanent organisation for industrial survey development on a regional basis, in addition to the normal routine of local government. This involves the future of development councils.

There is a paramount need for more survey work and it is only proper to suggest the directions in which that survey should proceed. First and most important, much more information is wanted on the movement of industry. To what extent are industries expanding, stationary and contracting, and how are these distributed by areas?

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How far are industries migrating from area to area and personnel from industry to industry? What is the effect of proximity to markets, raw materials, labour, housing and transport by road, rail, canal and sea? How are openings for public works of national value distributed, and does this distribution bear any relation to social requirements of areas in which public works expenditure is most needed? Again, it is most necessary to know what is the expenditure from public funds, central and local, in depressed areas compared with prosperous areas and what relation this expenditure bears to taxation levied in those areas? What attempts are at present being made to attract industry to specific towns? How far do these compete wastefully? Is it practicable or desirable to arrange for amalgamation of these efforts on a regional or national basis? What form of attraction should be used in this connection, *e.g.*, subsidies, rebates, publicity? How far is it possible to make town and country planning more effective by bringing it into line with positive industrial development policy? These are some of the questions on which further information is desirable.

The history of the last twenty years reveals quite clearly that some more permanent adjustment is needed in the financial relations between Whitehall and local authorities. Special relief has already been accorded to authorities in connection with education and unemployment: housing needs in the depressed areas will raise the question again, while the English Commissioner has already made grants to repair inadequate health and nursing services in special areas. On the other hand new administrative areas have been created for the Ministry of Labour, for transport, for many public utilities and for town-planning. More recently development councils have grown up in several regions, in Scotland, South Wales, on Tyneside, in Liverpool and in numerous smaller areas. But development councils can have no real future merely in the field of competitive advertising. We are in danger of multiplying instead of simplifying the agencies for development, and at the same time of throwing work on Government and municipal institutions for which they were never intended or created. The multiplication of agencies connected with land settlement and small-holdings is now evident in England, while even in Scotland, where the administration is far more logical, a warning was recently given in a striking speech made by the permanent head of the department in Edinburgh. The experience of the Commissioners will not have been in vain if it reveals the weak spots in our present administration. To some people the Commissioners' work appears as sociological research, as a series of laboratory experiments made on the less healthy parts of the body politic. To others it may appear that out of the peculiar work entrusted to the Com-

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missioners there will arise the need for some permanent changes in central and local administration.

For my part I should like to see a permanent Cabinet committee, adequately served with statistics and information and presided over by a responsible and important Minister dedicated to the work of national development. Scotland should have its appropriate and separate Minister, preferably the Secretary of State himself.

Development councils should be reconstructed on a regional basis, for healthy areas as well as for depressed areas, with permanent executive officers. Thus, while each separate department, agriculture, health, education, and so forth, pursued its normal routine, these councils would have the permanent responsibility "to initiate, organise, prosecute and assist measures designed to facilitate the economic and social improvement of their respective areas." Scotland and Wales would clearly have separate bodies. Much of their work at the outset would be in the nature of survey and fact finding, the absence of which stultifies progress and compels the endless *ad hoc* commissions whose reports are always so excellent and so seldom put into operation. There would be the double advantage of local information gained on the spot and national direction of policy from the centre. Some such organisation would relieve the Cabinet of many burdens it is unable to carry, would help to bridge the gap between industry and government, would secure that the Civil Service departments performed their appropriate functions, and would possibly anticipate in future and help to mitigate the inevitable dislocation and disequilibrium caused by living in a dynamic world of change.

Statistics in Relation to Administration

By E. M. H. LLOYD

[*Paper to be discussed at Summer Conference, Edinburgh, June, 1935*]

TWELVE years ago the Registrar-General delivered a lecture to the Society of Civil Servants on the subject of "Statistics in Administration." Since that time there have been occasional references to the subject at meetings of the Institute but no set discussion. One explanation for this omission may be that Government statisticians are members of the Royal Statistical Society, where they can discuss the scope and development of official statistics; or perhaps mere administrators, with no statistical training, may hesitate to put down in black and white what they think of statistics and statisticians. But whatever the reason, I am glad that the Council has decided to repair the omission, and I am honoured by their inviting me to be the layman that rushes in where experts fear to tread.

Mr. Vivian's paper, which was published in 1923 in the second issue of the Institute's Journal, was couched in a vein of thoughtful pessimism. After explaining that the function of the official statistician is primarily to supply intelligence to Ministers and to the public, he discusses how far what he calls the constructive interpretation of statistics, that is, the application of statistical research in the formulation of policy, is part of the functions of the civil servant. He concludes with some hesitation that it is not for the statistician to advise on policy, mainly because arguments based on statistical science carry little or no weight with governments or the public and may even prejudice an otherwise sound case. Social statistics—and in this term I presume he includes economic statistics—do not stand very high in public regard, partly because statistical arguments can never be tested by experiment, as they can in physics and chemistry, but mainly because their subject-matter is the life, liberty and welfare of every one of us. Statistical generalisations reduce us to insignificant atoms in a group; they violate the uniqueness of our own experience

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and threaten to submerge our individuality in a brave new world of uniform rules and patterns. If I interpret Mr. Vivian's thesis aright, people fear that bigger and better statistics will only lead to bigger and worse Government interference.

In contrast to this attitude to statisticians is the deference shown to actuaries. Actuarial statistics are the basis of the profitable business of life insurance and the public infer that since business men pay for them they must be of real value. Hence Mr. Vivian sums up his diagnosis in the following words: "The statistician is in the public mind a sort of Ananias; statistics are a bad joke. But the actuary is a prophet of pontifical utterances inducing an awed and religious conviction." He concludes that statistical science must prove its value to business and industry before it can command public confidence; and that until that happens statistical research in the service of administration cannot be regarded as otherwise than a luxury.

This pessimistic conclusion is certainly startling and was doubtless intended to be so. If true, it seems to imply some reflection on the quality of our public administration. Is it even roughly true that while the Government spends some hundreds of thousands of pounds in collecting and publishing statistics, little or no use is made of statistical research in formulating policy? What particular instances were in Mr. Vivian's mind when he made this admittedly challenging generalisation? And if his statement was more or less true in 1923 at the height of the economy campaign and the reaction from war-time control, is it still true to-day? Has there been any change in the public attitude towards statistics? And do departments know better how to use them? I suggest that an attempt to answer these questions may serve to focus our discussion.

First let us clear the air by defining our terms. Statistics, as Mr. Vivian reminds us, originally meant studies of economic, social and political conditions of States, and thus comprised all that we might now call social science. The special feature of the social sciences is that experiment in the laboratory sense is ruled out. Hence statistics came to mean the method of study applicable to large groups where controlled experiment is impossible. Nowadays this field is, of course, much wider than the social sciences. Statistics are increasingly used in medical research, particularly bacteriology and the study of epidemics—in agricultural research, particularly in field plot experiments—in genetics, or the unravelling of hereditary factors—in parasitology, indeed in all branches of biology; but also in astronomy, and the latest developments of physics. According to modern physicists the behaviour of the electron is unpredictable and even indeterminate, like that of the individual citizen. Indeed, we are told that it is impossible to measure precisely both the position and the

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velocity of an electron; a proposition which, if applied to motor drivers, would be regarded as violating the canons of police court magistrates and the plain intention of the legislature. Physical science, according to Sir Arthur Eddington, yields statistical laws and probabilities and nothing more. The contrast between physics and social science must not therefore be pressed too far. Both rely for their achievements on that unique and, to my mind, somewhat surprising discovery of the statisticians, namely the constancy of large numbers.

As for administration, we all know what that means though we may not always mean the same thing. In its widest sense it means the conduct of affairs, and may be applied to private as well as public business. For our present purpose I suggest that administration is the conduct of affairs of State on the basis of written records: first, the written word of laws, precedents, regulations and instructions, and secondly, the facts and figures about the outside world which accumulate in the course of administering the laws. The laws come first and the facts second, which corresponds with the view that administration is an art and not a science. Science observes the facts and then formulates natural laws; administration takes man-made laws as its starting point, and collects the facts as a sort of by-product. Government has not hitherto been particularly interested in discovering the natural laws, if any, of human behaviour; it prescribes rather than discovers uniformities and spends its time dealing with the exceptions from the norms which it lays down.

But throughout history there have been occasional incursions of the spirit of scientific inquiry into the business of government. War, famine, economic crises, and political unrest have induced governments to inquire into the causes of things, to take stock of their resources and frequently to collect the relevant statistics. We learn in the Bible that the earliest-recorded census was taken by King David and took Joab and his colleagues nine months to complete. According to priestly tradition this impious act was punished by three days' pestilence, which explains why those who opposed the first census of Great Britain in 1801 prophesied an outbreak of epidemic disease as a result of so blatant a defiance of Providence. In 1907 the first census of production was opposed in Parliament not as a defiance of Providence but as "a great invasion of public liberty." The mode of expression changes but the sentiment is similar. Every fresh project for collecting statistics threatens an extension of the secular arm and the possible substitution of planning and forethought for trusting to Providence.

The development of economic and social statistics during the nineteenth century and the early years of the twentieth century went side

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by side with the progress of democracy and the awakening of the social conscience. Dr. Knowles used even to say that national registration of births and deaths, introduced in 1836, was partly at any rate a by-product of the Factory Acts, since the law prohibiting the employment of children under nine could not be enforced in the absence of birth certificates. The Great War of course brought a complete temporary stocktaking of national output and resources; but the reaction against war-time control and the strict economy enforced by the Geddes axe swept away the periodical returns of output and sales that every industry had been required to make.

One important innovation, however, survived from the war period. At the end of the war a body called the Supreme Economic Council, which virtually controlled the world's trade in foodstuffs and raw materials, issued a monthly bulletin of world statistics. In 1920 this bulletin was taken over by the Economic Information Section of the League of Nations, and thus formed the starting point of that invaluable series of statistical publications issued from Geneva, which Governments, economists and business men in all countries turn to for the essential facts of the world in which they live.

Looking back in the light of the aftermath we can now see that the problems of peace were faced with too little regard for the need of economic and statistical research. Writing in 1923, in the heyday of the Reparation problem and two years before the restoration of the gold standard at pre-War parity, Mr. Vivian was no doubt justified in observing that statistical research was at a discount.

Since that time the place held by statistics in public estimation and in the practice of administration has undergone a gradual change. I can only speak from a limited experience, but I believe we are on the threshold of new and important developments in the application of statistical science to business and to administration. Generalisation may be premature, and I cannot attempt to cover the whole field of official statistics; I propose to give only a few illustrations of the new outlook.

First as regards the attitude of business men. In times past the typical trader and industrialist operated on a small scale. He prided himself on his business instinct; he watched his markets and knew by a sort of feminine intuition what his competitors and business acquaintances were thinking and how they would act. His memory for facts and figures was prodigious and rarely failed him. By contrast he read little, compiled only the barest of records and knew next to nothing about economics and statistics. That type is gradually disappearing. His place is being taken by a new kind of business man administering large concerns, employing specialists in every sphere and accustomed to form his judgments on the basis of written

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reports, costings and statistics of all kinds. He studies economic trends and seeks the aid of statistical research in forecasting the future development of business conditions as well as in managing his own business. The amount of space given to statistics and their interpretation in the commercial, financial and technical Press is much greater than it was. The business community is becoming more statistically minded, and is beginning to ask questions which sometimes cannot be answered even approximately because the statistics are not available.

Take, for instance, the question of the actual and potential market for consumers' goods. Producers and advertisers of motor cars, radio sets, breakfast foods, and tinned vegetables, of fresh milk, tea and fruit, and of many other articles of every day consumption are interested in getting some sort of statistical estimate of the distribution of family incomes. But the data for such an estimate are not available. For incomes above the income tax limit a rough approximation can be made if certain assumptions are made; but that still leaves out of account more than half the families in the country as to which there is next to no information. For the proper study of the home market as well as for other purposes a census of family incomes would be extremely useful. A census of wages, which has not been taken since 1906, and a repetition of the family budget inquiry of 1904 would go some way to meet the demand. One might say, indeed, that the demand of the business world for statistics now tends to outrun the supply. It is significant that a recent paper advocating improvement and extension of official statistics was read at the Royal Statistical Society by an official of the Federation of British Industries, Mr. Roy Glenday.

But if business men are to get more and better statistics they must reciprocate by being more ready than they have been in the past to supply information and to submit to the necessity of filling in returns. Fifty years ago in the early days of official statistics the initiative came largely from scientific statisticians like Sir Robert Giffen. British Departments then led the world. If we now lag behind other countries, particularly the United States and Germany but also the Dominions, the reason has been not merely the influence of economy but the tradition of secrecy which has so long dominated the minds of British business men.

In this respect there has been a notable change during the last ten years, particularly since the crisis of 1931 and the advent of the National Government. The adoption of protection for industry and of marketing schemes for agriculture have supplied both an inducement and a convincing reason for making returns. Hitherto, and particularly during the War, the business man has sometimes felt that

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statistics were required to strengthen the fetters that bound him; he is now more ready to regard them as a necessary condition of plans to assist him. Thus the provision in the Import Duties Act, 1932, for compulsory annual returns in industries affected by the Act supplements in several important respects the existing powers of the Board of Trade under the Census of Production Act; and the returns obtained by the Milk, Pigs and Potato Marketing Boards provide a useful addition to and check upon the annual agricultural statistics.

Even where no compulsory powers are available, there is a greater readiness to make returns of output, sales and stocks on a voluntary basis. An outstanding example is the return of retail sales made by large distributors to the Bank of England. At the Empire Marketing Board it took about two years to persuade all concerned that it was in the general interest to collect and publish periodical returns of stocks of butter in cold store and later of raw wool in ports and railway depots. Monthly returns of output, sales and stocks are now made without demur by creamery proprietors and margarine manufacturers.

The chief developments in the field of official statistics in recent years have been the recognition of the need for co-ordination between different departments and the appointment of a Permanent Committee on Official Statistics. An inter-departmental committee has co-ordinated the classification of industries and occupations used in the population census and in industrial and labour statistics, and similar co-ordination has been brought about in relating information as to earnings to the census of production. It has sometimes been urged that a Central Statistical Department should be set up on the lines of the Dominion Bureau of Statistics in Canada or the German Imperial Statistical Office. The main reason against the proposal is, of course, that official statistics are collected by departments primarily for their own use and in the course of their administrative functions. Unemployment and wage statistics must obviously be collected by the Ministry of Labour, agricultural statistics by the Departments of Agriculture and educational statistics by the Board of Education. The outside statistician wants a complete and tidy collection of all sorts of statistics as the material for his statistical research; the departments want them for use.

A more moderate proposal would be to empower a central office to keep the whole field under constant review, to fill in gaps and to suggest modifications or additions in the statistics collected by departments. This is a field to some extent covered by the Permanent Committee on Official Statistics, whose main tasks hitherto have been to issue the valuable Guide to Official Statistics, and to keep a watch

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on any overlapping and unnecessary expense in statistical publications; but its potential usefulness appears to be considerably wider.

Mr. Glenday in his recent paper has suggested the appointment of an Advisory Council on Official Statistics mainly composed of business men, economists and representatives of labour. Such a body would bring before the Government of the day the importance of a prompt and reasonably priced supply of statistical data, and might suggest new statistical investigations; it would inform itself as to the public needs and then consult the Permanent Committee and departmental statisticians as to how they could be met. "The ultimate objective," says Mr. Glenday, "would be to produce a nation statistically informed on economic questions."

More important, however, than any question of machinery is the attitude of administrators towards statistics. Mr. Vivian has some suggestive comments on this point. The standpoint of the pure statistician, whose appetite for statistics is insatiable, is naturally suspect; but even the more modest requirements of Government statisticians are apt to be overlooked or sacrificed as relatively unimportant to the needs of economy. Administration, he says, is apt to proceed without regard to statistics until information is needed in some emergency; the statistician then points out that the information is not available and asks for a special return which is found to be both troublesome and expensive. Hence the statistician gets the reputation for being a nuisance, when, with a little more forethought in the preliminary stages, the statistical requirements could have been met without difficulty.

Another difficulty is the time factor. Statistical information, when it is called for by Ministers or administrators, is nearly always wanted in a hurry. The time required for reliable statistical investigations, especially when the ground is not already prepared, is apt to be under-estimated. Those in authority seldom have a sufficient appreciation of the imperfections of the material available for answering what appear to be quite simple questions and of the insecure foundations on which estimates are sometimes made. The statistician may give an answer subject to numerous qualifications and reservations; but he must frequently be disconcerted to find how easily his figures drop their qualifying footnotes and acquire by repetition a specious authority which they never deserved.

I have sometimes thought that the administrators' training and outlook is too much coloured by deductive habits of thought and reasoning. Administrative aptitude is prone to lean on first principles and precedents rather than on statistical observation and inference; and this again may be partly due to the minor place held by the social sciences and statistical method in university curricula and

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Civil Service examinations. Or is it that the type of intelligence that excels in practical judgment and quick decision is alien to the spirit of scientific inquiry? This is a subject which might well be included in a study of the psychology of administration.

Looking to the future there is little doubt that the scope of official statistics will gradually extend. The recommendations of the Macmillan Committee on Finance and Industry have set a standard which may take several years to reach, unless the demand of the business world should become more explicit and vocal. That Committee's aim was nothing less than "a complete inventory of the economic life of the community," including fuller statistics of banking and balance of payments, industrial output and profits, wages and salaries, distribution and sales, consumption and capital construction. They stress the need for "putting on a more scientific basis our acquaintance with the fundamental facts and trends of our economic life." Similar proposals were put forward even more strongly in the Liberal Yellow Book of 1928. The object in view is, of course, to enable the trained economist more often to draw right conclusions, whether he is working independently or in the service of government, or advising business men in planning their commitments or political leaders in framing their party programmes.

In the age in which we live, whether it ultimately proves to be one of transition or one of decadence, confidence in political and economic dogmas is weakening; the engineer, the biologist and the politician are transforming our world of thought and action and undermining the presuppositions of traditional reasoning. Scientific inquiry, which in other fields has made such astonishing strides in our life-time, has barely begun in the sphere of economics and the study of human behaviour in the mass. Before the modern world can feel confidence in trusting its fortunes either to planning or to *laissez faire* or to some mixture of both, the apparatus and technique of investigation into social and economic problems will need to be vastly improved and strengthened.

Statistics, which arose as a by-product of administration, have thus become the raw material of applied economics. The State is gradually and with some hesitation assuming a greater responsibility for meeting the demands of economists and business men. The conception of economic intelligence as a public utility as well as a mere adjunct to administration is gaining ground; and in the not too distant future we may find that statistical research and the objective presentation and interpretation of economic data will be treated less as a luxury in which the State can hardly afford to indulge and more as an essential service, like telephones or water, which the community cannot afford to do without.

One Hundred Years of Scottish Local Government

By Sir ANDREW GRIERSON, LL.D., S.S.C., J.P.

[*Paper to be discussed at the Summer Conference, Glasgow, June, 1935*]

I.

THE system of local government which now obtains in burghs in Scotland may be said to have its starting point in two Acts of Parliament which were passed in the year 1833—just a little over a century ago. These statutes are usually known as the Municipal Reform Act, 1833, and the Burgh Police Act, 1833. The former abolished the old system of close corporations, and made the town council a representative body. The latter was the forerunner of modern police legislation.

As the Annual Conference of the Institute of Public Administration is to be held in Scotland this year, it has been thought that it might be of interest to give a brief sketch of the development of local government in towns in Scotland during the past one hundred years, and to supplement the sketch with a few notes on some of the administrative problems which have arisen.

II.

A local government body at the present day is the creature of statute based mainly upon a system of local rates. That, however, is a comparatively modern idea—at least it has developed into a more or less coherent system in modern times. Formerly, local administration in towns was not based on rates and hardly at all on statute. It was founded mainly on Royal Charter. No administration of any kind could be carried on without financial resources, and it may be asked, if there was then no rating system, from what source was the necessary revenue obtained? The answer is, from a fund which has always seemed to be a bit of a mystery to people south of the border, namely, the Common Good of the burgh. The revenues of this fund consisted of the rents or other returns from lands and houses and other heritable rights conveyed to the town under Royal Charters;

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market dues, harbour dues, and a great variety of other dues; petty customs and other customs; imposts of various kinds chiefly on wines and ale, &c.

Prior to 1833 the administration by the town council was of a most rudimentary description. Hardly any of the services which are now regarded as elementary necessities of town life were provided. Each citizen had to provide these services or its equivalent for himself. Gradually it came to be recognised that a corporate body can do many things better and cheaper for the community than individuals can possibly do for themselves. When this idea gained favour, the question arose, what corporate body should undertake the duties? It was rightly felt that the body which undertook the duties should be representative of the people who paid for the carrying out of the duties. The town council at that time was not a representative body, but a close corporation, and therefore did not fill the bill. The result was that there grew up a system of statutory commissioners representative of the ratepayers, who were appointed to carry out the duties and to allocate the expense rateably upon those who benefited, chiefly owners and occupiers of heritable property. This, it may be said, was the origin of the rating system in Scotland—that is to say, the allocation rateably upon individuals of expenditure incurred for behoof of these individuals by a corporate body. Rates in their origin, therefore, represented payments in respect of services rendered or benefits received.

III.

Towards the end of the eighteenth century a great many local Acts of Parliament were passed setting up commissioners to carry out certain specified duties within particular areas as, for example, lighting, cleansing and paving. Later other duties were added, chiefly watching or police, and in course of time a general Act was passed dealing with the whole range of these duties—the Police Act of 1833. Thereafter these statutory commissioners were known as police commissioners.

If the Municipal Reform Act of 1833, which made the town council a representative body, had been passed about half a century or more earlier, there would have been no need to create separate bodies of police commissioners. Singularly enough the legislation of 1833 did not abolish the police commissioners, or transfer their duties to the town council, although it did contain a power to enable this to be done if it had been taken advantage of. For a number of years subsequent to 1833 two sets of bodies with general powers existed side by side in towns, namely the town council and the police commissioners—the town council still depending upon the Common Good

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for their resources, and the police commissioners depending upon the rates. This state of matters continued in Edinburgh until 1856, when the town council and the police commissioners were amalgamated, and their areas made coincident. As regards the other burghs in Scotland, this amalgamation was not accomplished until 1900, namely, by a provision in the Town Councils (Scotland) Act, 1900.

IV.

So far as local government is concerned, the past century may be described as the era of *ad hoc* administration, with a trend in favour of amalgamation of duties in a single body for a particular area. The development of police commissioners through separate sets of commissioners for different areas to one set of commissioners for the whole area, and their ultimate fusion in the town council, has already been described.

A similar development took place as regards a number of separate *ad hoc* bodies exercising jurisdiction over roads and streets, including turnpike road trustees. In some areas at least these were all ultimately amalgamated into one body which in turn was merged in the town council, under the provisions of the Roads and Bridges (Scotland) Act, 1878.

General police administration in Scotland was pretty much on the same lines as in England. This observation, however, does not apply to the poor law. The leading Poor Law Act in Scotland was the Poor Law Amendment (Scotland) Act, 1845. That Act contained a number of interesting features, which however, it is not possible to refer to here. It set up a statutory body for the administration of the poor law—called the parochial board—for each parish, and rating powers were conferred on this body. These parochial boards were only partially representative, but under the provisions of the Local Government (Scotland) Act, 1894, they were superseded by a new body known as the parish council, which was elected on the same representative basis as the town council.

The local administration of the Lunacy Acts followed a similar line of development. The administration was first entrusted to a district lunacy board under the Lunacy (Scotland) Act, 1857, and then to a district board of control under the Lunacy and Mental Deficiency (Scotland) Act, 1913.

As regards education, school boards were set up for each parish and burgh under the Education (Scotland) Act, 1872. In time the parish was considered to be too small an area, and under the Education (Scotland) Act, 1918, the old school boards were abolished, and education authorities set up for each of the large cities in Scotland and for each county.

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In most large cities in Scotland, as in Edinburgh, the municipalities carry on large public utility or trading undertakings—water, gas, electricity, transport. In the case of most of these undertakings the trend of development was similar: commencing, it may be, with a company undertaking which was taken over by a separate *ad hoc* municipal body, which again ultimately became merged in the town council.

V.

The Local Government (Scotland) Act, 1929, is probably the most outstanding Act affecting local government passed during the century. It may be said to have opened a new epoch in local administration. Its leading feature, so far as administration is concerned, was the concentration, so far as practicable, of all powers and functions in a particular area in the hands of a single body, the town or county council. So far as the four leading cities in Scotland are concerned, namely, Edinburgh, Glasgow, Dundee, and Aberdeen, this concentration was complete. Practically all the previously existing *ad hoc* bodies—parish councils, district boards of control, and education authorities—were abolished, and their powers and functions transferred to the town council, which then became the sole local government body in the city possessing rating powers.

The Act of 1929 applied the same process of integration to county councils—at least in principle. The concentration in this case could not be so complete as in the case of the cities, because of the position of the burghs in the counties. So far as education was concerned, there was no difficulty in transferring the functions of the former county education authority to the county council. The parish councils and district boards of control in counties were abolished, and the functions of the local authority in regard to poor law and lunacy were transferred to the county council except in the case of the large burghs—that is to say, burghs with a population of 20,000 and upwards. In Scotland there is no equivalent to the county borough in England. The major public health functions (defined in the Act) were transferred from the small burghs to the county council along with a number of other miscellaneous matters. There were also transferred to the county council the functions of the town councils of small burghs as highway authorities so far as relating to classified roads.

The small burghs which were deprived of some of their functions did not take the provisions of the Act kindly, and it may be that in some instances they were not very considerably dealt with by the county councils. The agitation still continues, and recently the Convention of Burghs passed a resolution calling for an inquiry into the working of the Act.

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The Act of 1929 also dealt with derating. The provisions of the Act on this matter had as their primary object the relief of industry. Although that branch of the Act has political implications, it requires to be mentioned even in a brief sketch of the development of local government, since it materially affects the basis of local administration, namely, the rating system.

VI.

An account, however, brief, of the development of local government during the century would be incomplete without some reference to the system of administration of the central authorities in Scotland. In this matter Scotland occupies a curious position which is sharply contrasted with the position in England. Down to the year 1885 there was no minister specifically charged with the oversight of administration in Scotland. Any control which existed was exercised by the Lord Advocate (the principal Scottish Law Officer) in conjunction with the Home Office. In 1885 an agitation for the appointment of a responsible minister for the conduct of Scottish affairs came to a head. This agitation resulted in the passing of the Secretary for Scotland Act, 1885. That Act, however, did not appoint a minister for Scottish affairs generally. It created the office of Secretary for Scotland, but that minister was to be responsible only for the carrying out of certain duties entrusted to him by the statute, although these duties did not cover anything like the whole field of Scottish interests. The duties for which the Secretary for Scotland was made responsible are discharged in England by four separate Cabinet Ministers—the Home Secretary, the Minister for Health, the Minister for Education, and the Minister of Agriculture. In addition, the Secretary for Scotland has other duties to perform. Whatever may be said of this arrangement, it placed Scotland in some respects in a disadvantageous position compared with England as regards central administration.

Down to 1845 Scottish local government administration seems to have been carried on practically without any central supervision. In that year the Poor Law Act established a control board in Edinburgh for the supervision of the administration of the poor law. That board was called the Board of Supervision, and it consisted of certain *ex officio* members acting along with a number of lay members. This board ceased to exist in 1894, and a new board called the Local Government Board was set up in its place under the provisions of the Local Government (Scotland) Act, 1894. This new board had a more extended jurisdiction over local administration. In turn it gave place under an Act passed in 1919 to the Scottish Board of Health. Subsequent to 1919 there were five central boards with headquarters in Edinburgh: (1) the Board of Health, (2) the Board of Agriculture,

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(3) the Prison Commissioners, (4) the General Board of Control, and (5) the Fisheries Board. With the exception of the last two, all these boards were abolished under the provisions of the Reorganisation of Offices (Scotland) Act, 1928. The functions of the boards so abolished, and also the functions in regard to education are now exercised by officials responsible to the Secretary for Scotland.

VII.

Many interesting questions affecting administration arise out of the foregoing slight narrative of the development of local government in burghs in Scotland during the century. Some of these may be considered, but before doing so it may be useful to give a brief analysis or classification of the duties and functions of local authorities. The services provided by local authorities may be divided into three classes, namely: (1) beneficial services, (2) social services, and (3) public utility services.

Beneficial services represent what may be called the original duties and functions of local authorities. These have already been described in outlining the origin and development of the police commissioners. It was and is the duty of the local authority to allocate the expense of carrying out these services rateably upon those who benefit by them. Hence the term "beneficial services."

The social services have arisen as the result of modern legislation. Local authorities have had duties laid upon them which cannot be said to fall under the beneficial class. These services do not specially benefit owners and occupiers of heritable subjects, but are intended to benefit the community as a whole. They are therefore national in character. It was, however, found to be a convenient arrangement to provide for the administration of these services by local authorities, and in this view the local authorities *quoad* these services act as delegates of the State. A long list of the social services could be given, but it is only necessary to mention three of the most outstanding: education, public assistance, and public health.

The public utility services are really trading concerns for providing such things as water, gas, electricity, and transport. They are incident to the primary duties of local authorities, inasmuch as they involve the use of the streets, &c. They are provided on the security of the rates, but as a rule they do not involve any burden on the rates. In point of fact they could in many instances easily be used for subsidising the rates, but north of the Tweed this policy is not usually regarded as legitimate.

VIII.

Since the century has been described as the era of *ad hoc* administration, attention may be directed to the question of the

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advantages or disadvantages of that form of administration as compared with the administration of all the services by one body (*ad omnia* administration).

Looked at broadly, *ad omnia* administration of local government has many advantages. It must, however, be admitted that merely to concentrate a great variety of different duties in the hands of one body will not of itself produce good administration. In certain circumstances it might lead to the opposite result, and have the effect of breaking down the administrative machine by the burden of its own weight. Administration can only be saved from such a fate by good organisation, including the effective use on right lines of a system of delegation. It may be said that the advantages of good organisation to the full extent can only be gained through a system of *ad omnia* administration. If the various departments of local government are to be co-ordinated properly, as they ought to be, it is impossible to allow any particular department to have anything of the nature of a free hand. Some form of central control—particularly financial control—by or on behalf of the main local government body is essential. Such a form of administrative control is bound to result in the long run in economy. Further, it has been found by experience that it is very difficult to get the electors to take an interest in more than one local government body.

Probably the chief argument which is used against the concentration of duties in the hands of one local authority is that it results in local administration becoming a very complex affair. There is no doubt that the sum total of duties and responsibilities resting on local authorities and arising directly or indirectly from legislation is very considerable, and some of these duties are of great magnitude. Such is the output of legislation affecting local authorities that it is difficult for the ordinary man to keep pace with it.

It is said by the supporters of the *ad hoc* theory that only an expert can be expected to do so. The numerous departures from the original duties of local authorities—which were comparatively simple in themselves—have led to local administration becoming more and more of a specialised or expert nature. Not only so, but the various duties and functions are inter-related and involve difficult financial and other considerations which add to the complexities of administration.

IX.

In view of the specialised nature of the new duties which have been placed upon local authorities, criticism is being made of the administration of local authorities on the ground that being lay bodies they are unfitted to carry out duties which are more or less of an

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expert nature, as, for example, duties in relation to health functions. Various replies may be made to criticism of this kind. So far as public health is concerned, it may be sufficient to point to the record of the large public health authorities, and to the value of the work which they have successfully carried out in the past. It may also be pointed out that if this criticism is sound, it should apply to all democratic bodies including parliament itself. But what is the real position? Is it not that so far as the duties of local authorities are of an expert nature, the proper function of the local authority is to appoint experts with the necessary training and qualifications to carry out these expert duties. It may be that individual members of local authorities by themselves cannot be expected to handle expert problems, but the position is different where the local authority is advised by experts in whom they have confidence. But a further criticism has been made of public health authorities inasmuch as it is suggested that they cannot be trusted to appoint the right kind of experts. Thus an Aberdeen medical man writing in the *British Medical Journal* on 30th March, 1935, refers to an objection to local authority administration which "for reasons of mistaken politeness and short-sighted policy is seldom frankly mentioned. There exists in the profession a widespread distrust of local authority management so far as medical services are concerned. There are a number of reasons for this. Constantly public health appointments are being made by local authorities which medical men in the area know perfectly well are made as a result of considerations other than professional attainment and suitability. This objection, of course, applies not only to local authorities, but also to the large boards of management of hospitals, dispensaries, and the like. Such a state of affairs does not make for efficiency." The implication underlying a criticism of this kind is that administration which includes expert duties should only be undertaken by experts: a doctrine which might suit some people, but does not seem to be compatible with democratic local government.

X.

Other questions have been raised arising out of the administration of specialised or expert duties. It is no doubt on this account that the practice has crept in of co-opting to the local authority or to a committee of the local authority of persons having a special training or experience in a particular subject of administration. This experiment has been tried in Scotland in connection with the local administration of education, but it cannot be said that it is an unqualified success. It is calculated to give rise to jealousy and friction. If resorted to to any considerable extent, it might jeopardise the whole system of

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democratic local government. If a person can be appointed to a local government administrative body without going through the turmoil, expense, and sometimes unpleasantness of an election, that is the method of appointment which is likely to gain favour amongst people of the type desired. The result will be to bring about an undesirable restriction in the choice of candidates for election.

XI.

Another question in connection with the administration of the social services may be referred to. Many of these services, although administered locally, arose out of Acts of Parliament which apply to the whole country. They are really national or quasi-national services. The curious thing is that not all the social services are administered locally by local authorities. Some are administered locally through the central authorities, for example, post offices, labour exchanges, &c. If it were asked, on what principle was it arranged that some social services should be administered by local authorities and others by the central authorities, it would be difficult to give a satisfactory answer. Probably the relegation of duties to the administration of local authorities was not made on any definite scientific principle, or, it may be, was made in circumstances which have now materially changed. As an example of change of circumstances the maintenance of the main trunk roads of the country may be mentioned. As matters now stand, it does not seem out of place to raise the question, should the relegation of duties to the administration of local authorities be reconsidered with a view to some of the services being transferred to the central authorities? A great many years ago a transference of this kind was made in connection with the administration of prisons. In more recent times illustrations of this tendency may be found in the Highlands and Islands Medical Service; the Central Electricity Board; the Unemployment Assistance Board, &c. No doubt this question is mixed up with the financial relations of the central authorities to the local authorities, but both sets of questions—financial and administrative—may require to be reviewed.

XII.

It is generally agreed that there are some local government services and institutions the benefits of which should not be restricted to the comparatively narrow limits of an existing local government area. Thus, the administration of the generation and supply of electricity is no longer restricted in this way. It is being suggested that the administration of gas and water should similarly be extended so as to cover wide areas. There is much to be said for this, particularly as regards water, where a good case could be made out for

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the area of supply being regulated not by existing local government areas, but by the area of the watershed. The same thing might be said of some of the social services, and more particularly of the health services. It is obvious that such institutions as hospitals cannot be provided to advantage for every local government area in the country. Where such hospitals are provided in the cities the better course would appear to be that they should be made sufficiently large to meet the requirements not only of the individual city, but of a widely adjacent region.

The truth is that existing local government units widely different as these are in area, population, and valuation, have no relation to the needs of modern times. Their boundaries were fixed in the dim and distant past with no relation to administrative needs, but interests and associations have grown up round them which would make it very difficult to put them into the melting pot with a view to carving them out again into units better suited to administrative requirements. There are many existing units whose resources are so slender that they cannot be expected to tackle adequately modern problems, especially those relating to public health.

If it is found impracticable to re-arrange local government units, there might be some form of combination between adjoining local authorities which would permit of a whole region being supplied with the larger local government services or some of them—unless, indeed, new regional bodies independent of local authorities are set up as has been suggested recently in the case of the health services. In theory a combination of local authorities seems a satisfactory enough arrangement, but it has not worked well in practice in Scotland, particularly where it has involved the setting up of a joint committee. Of course, apart from the method of joint committees, the services provided by a large local authority might be made available to other adjoining local authorities over a wide region on a customer basis, and this method is sometimes resorted to. A unique example of combination of local authorities in the north of Scotland may be mentioned. The medical officer of health for the City of Aberdeen is also medical officer for the two adjoining counties. There is no joint committee—the medical officer of health being responsible direct to each of the three local authorities, who seem to give him a fairly free hand. He is able in this way to co-ordinate the health services and institutions for the region in a remarkable way. This is an exceptional state of matters, and a satisfactory method of arranging for the administration of health or other services over a region has yet to be devised.

XIII.

A passing reference may also be made to the vexed question of

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the degree of control which should be exercised by the central authorities over the local authorities. The position in regard to this matter is different in Scotland from what it is in England. In point of fact local authorities in Scotland have always prided themselves on the fact that they enjoy a greater freedom from central control than the corresponding English authorities. To a large extent this is due to historical causes. It is impossible to go into detail, but the different practice in regard to the exercise of borrowing powers may be mentioned as a case in point. In view of the changes made by the 1929 Act much of the control formerly exercised by the central departments over detail acts of administration has disappeared. This is as it should be, but there is no doubt that it is essential that the central departments should be in a position to see that the policy underlying statutory provisions affecting services carried on by local authorities is carried into effect. It used to be considered that this control could most effectually be exercised through the medium of grants-in-aid, but since the abolition of the percentage grants under the 1929 Act this control appears to have been weakened. In this connection it may be mentioned that some recent proceedings in Scotland have shown that there is a need for some stronger compulsion than at present exists to secure that local authorities shall give effect to the policy laid down by Act of Parliament.

The position of the central departments in Edinburgh has been referred to. A system of central boards had grown up probably due to the distance of Scotland from the seat of government and to the fact that there were no separate ministers to give their undivided attention to the different departments. This system has now nearly disappeared because it was found to possess certain disadvantages. May it not be that the system in the peculiar circumstances of Scotland might be found to be advantageous if the central boards were so constituted as to give free play to Scottish interests in administration and so as not to consist entirely of the official element. Circumstances might arise, for example, where a specially constituted authority with jurisdiction over the whole of Scotland might be usefully set up to deal with a particular subject or group of subjects. This would not be very far removed from the practice which has obtained in some instances, *e.g.*, the Central Electricity Board; the London Passenger Traffic Board; the Unemployment Assistance Board.

XIV.

Probably not the least of the problems at present affecting local administration arises out of the question, should the financial basis upon which local administration is carried on be drastically reviewed,

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and the rating system put on a proper basis? This is an interesting, and indeed a pressing problem, but in view of its political implications it cannot be more than glanced at here.

Local administration is likely to suffer if the basis upon which it is carried on, viz., the rating system, is generally regarded as unfair and inequitable. That the rating system was so regarded prior to 1929 is universally admitted. This, in fact, was established by the Royal Commission which investigated the subject over thirty years ago.

Similarly the Departmental Committee on local taxation in Scotland presided over by Lord Dunedin, reporting in 1922, expressed the opinion that the existing system of rating is overburdened and near the breaking point. Probably their report would have been in even stronger terms had it been made at this date. Their view was founded upon "the undue use of a system of local taxation which relies on rates on lands and buildings as its sole fiscal expedient."

The inequity of the rating system would be removed if it were possible to broaden its basis. The unfortunate thing is that the de-rating provisions of the Act of 1929, instead of broadening the basis of rates, actually had the effect of curtailing the rating power of the local authority.

A Public Relations Policy for Local Authorities

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FOR the last 50 years or so the actions of administration bodies have been directed towards the improvement of the individual, as such. It is not only in the public health service (even in its widest sense) that "personal" as well as "preventive" services have been developed, for other services that are essentially "personal" in character, such as the state-controlled educational system, have been created. This process has by no means ceased; we may still be far away from the grim purposiveness of the policy which moulded the individual to serve the ends of the State in Mr. Aldous Huxley's "Brave New World," but it is undeniable that in many ways the State is confronted more and more every year with psychological problems that concern the personality of individuals. Innumerable examples of this trend can be cited; perhaps the best are the attempts to improve the housing conditions of the people, (a "personal" problem of the first order), the effort to deal with the vitally important causes of juvenile crime, and the first feeble experiments that have been initiated (mainly, it is true, by voluntary bodies) to alleviate the psychological ills caused by prolonged unemployment.

Public authorities, therefore, cannot remain the mysterious, impersonal, bodies that most of them once were, and many of them still are. The duty of the department is now to lead, to inspire confidence, to advise, to encourage; it should not adopt a purely passive rôle, forbidding, warning, helping only those who are persistent or courageous enough to extract what they desire from reluctant bureaucrats. Public authorities of the twentieth century must go out to meet the public on its own ground, find out what is wanted, and forestall needs before they are expressed or even felt.

This is no new problem. The Institute of Public Administration has already drawn attention to it by publishing a succession of papers which have recognised its importance and have greatly helped both students and practical administrators who are troubled about it. The value of the *Journal* as a source-book of the theory and practice of

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Public Administration can only be proved by the extent to which it can be used for the advancement of the study of a new problem. It is therefore particularly gratifying to be able to refer to a succession of able articles, concerning Public Relations, a subject hot from the oven, or perhaps still in the mixing-bowl. This started with the symposium of 1931 (in which the penetrating wit of Mr. Stuart Bunning can be said to have set the ball rolling), and ended with the final crystallisation of the matters at issue in the papers (particularly that of Sir Stephen Tallents) read at the Summer Conference of 1933.

There is then no need to describe what is meant by "Public Relations," or to give more than a bare outline of what has been done by the Central Government Departments at home and abroad. It is sufficient to notice that the regulation of the relationship between the department and the public is now, and has been for some time, a matter carefully arranged by the central government of this country, whilst in the United States of America it has been developed so far that it is in fair way to becoming, particularly as regards the more specialised relationship between the departments and the Press, a fine art.¹ Over here, the work of Sir Stephen Tallents at the Empire Marketing Board, and the enlightened policy formulated for the Underground Railways by Mr. Frank Pick, have established the necessity for a carefully thought-out public relations policy. This line of progress has been followed up; Sir Stephen Tallents has become the Public Relations Officer of the Post Office, and a member of the Post Office Board; the London Passenger Transport Board has appointed Public Relations and Publicity Officers, and the Ministry of Health and Board of Education have decided "in the interests of better organisation, and for the wider collection, dissemination and publication of information on the various aspects of the important social problems falling within the province of the Departments,"² to merge the Intelligence Branch of the Ministry with the Office of Special Inquiries of the Board. A Director of Intelligence and Public Relations, and a Press Officer, have been appointed to the joint Division. Mention must also be made of the Exhibitions Division of the Department of Overseas Trade, which usually undertakes the task of arranging exhibitions on behalf of the Government of every kind and in every place, ranging from overseas trade exhibitions to the British Industries Fair, and the Post Office Shop in the Strand.

It may well be asked what the local authorities are doing in this direction. The examples of the newer "personal" services that

¹ See the very informative article, *Government Departments and the Press in the U.S.A.* By F. R. Cowell. PUBLIC ADMINISTRATION, 1931, pp. 214 seq.

² *The Times*, March 5, 1935.

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have already been given lie for the most part in their field of action. Indeed, their activities are more closely bound up with the interests of individuals than are those of most public bodies. This should require them to be more sensitive to outside criticism, even anxious to stimulate it, and ready to explain and to clarify their policies: yet, the remark made about the publicity of the central government, that it is "jerky, unco-ordinated, and amateurish,"³ applies with even greater force to the publicity of the local authorities. Few of them make any carefully thought-out attempt to explain what they are doing to the general public, or to establish better social standards through the medium of direct popular appeal. Such work of this kind as is now done is entirely departmentalised; the public health department may co-operate with voluntary bodies in the provision of a smattering of public health education, notices may appear in the streets asking people not to spit, or to refrain from littering the pavements, but it may really be doubted whether pathetic appeals of this kind have much effect, even when the injunction is accompanied by the familiar threat of a 40s. fine, or is made readable by some exceptional person who understands that there is such an art as typography. It is left to private associations to initiate publicity which attempts to explain local government machinery to the citizen, and to awake in him a feeling of pride in civic institutions, and of gratitude for services rendered. Even where specific publicity campaigns are launched with limited and clearly defined objects in view, the campaign often suffers from lack of vision in planning, and defective technique in execution. Nothing can be more dismal than the spectacle of the municipal garbage cart perambulating the streets, with the slogan "Burn your Rubbish and Save your Rates" emblazoned on it. One wonders whether the committee responsible for refuse collection has taken into consideration the truly appalling problem of domestic smoke, no mean contributor to the ever-present pall that hangs over our gloomy northern towns. Even from the purely financial angle, the cost of treating the diseases caused by lack of sunlight—tuberculosis amongst those of all ages, and rickets amongst children—should greatly outweigh the saving of a few hundreds of pounds. Let every local authority in the future take steps to see that the right hand of its Health Committee knows what the left hand of its Cleansing Committee doeth!

Then again, there is the question of technique. The water shortage of last summer illustrated this point very well. Most of the large authorities were faced with necessity of persuading water consumers to use less water. The methods they employed were, to say the least of it, half-hearted and unskilled. In most cases the person

³ PUBLIC ADMINISTRATION, 1933, p. 265..

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called upon to provide the matter for the publicity campaign appears to have been an engineer from the Water Department: the result was that most of the posters that were exhibited displayed all the defects of blue-print drawings used for this purpose; drabness, lack of clarity in lettering, and, above all, lack of imagination. The L.P.T.B., on the other hand, has been wise enough to entrust to its Publicity Officer the preparation and publication of all posters, maps, leaflets, and Press advertisements which may be required, together with the planning of all signs and notices, the supervision of the general appearance of the Board's properties, and the review and design of all incidental equipment.⁴ The present holder of the post received his professional training as an architect at the Liverpool University School of Architecture, and he is thus enabled as a technical officer to approach the problems that confront him from a fresh and stimulating point of view.

There are many practical reasons which should move local authorities to treat the problem of public relations seriously. Not only is there the more obvious reason, that ill-informed criticism should be nipped in the bud before it is strong enough to create serious trouble, but there are a host of others. In many ways the local authority is coming to depend, willy nilly, on the development of the technique of persuasion. The case for a public relations policy for local authorities rests on a more secure basis than the need for persuading people not to drop their tram tickets in the streets for other people to pick up, or to obey the more elementary rules of common decency in public places. It is obvious that we could do a great deal more by persuading people to fit themselves into the pattern of the community if we were to refrain from limiting ourselves to the existing methods of compulsion. In Town Planning, for instance, the desire for a well-built and properly designed house can do more positive good to the appearance of the countryside than all the bye-laws for the control of elevations in the world, necessary as these may be for use in the last resort, when the planning authority has to deal with the recalcitrant minority of the uneducatable. Compulsion can produce, at best, a merely negative standard of conduct, whereas persuasion can bring forth initiative and progress. Given attention to what Sir Stephen Tallents has called the "projection" of services, many things will become possible which are not dreamed of now.

It is also important to notice that the carrying into effect of a public relations policy is certain in the long run to have a profound effect on the services that are rendered by an authority.⁵ It is not a

⁴ *The Times*, April 3, 1935.

⁵ For an interesting sidelight on the effect on practical administration of appointing a Public Relations Officer to the Post Office Board, see a brief discussion reported in *The Times*, March 5, 1935.

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bit of good, for instance, for a local authority to make use of the Health Resorts and Watering Places Act, 1921, to advertise the amenities of its locality, until the town is really worth a visit. If it is not, the effect of advertisement will be to make any existing scandal even greater, and the Publicity Officer will therefore oppose any action until he knows that all is well. Similarly, in less obvious matters, publicity will show up many defects, and bring to light feelings of injustice that would otherwise never see the light of day. Publicity about the schools, the libraries, and the medical services will create situations requiring tactful handling, and the timid will therefore oppose it tooth and nail. The net result of the whole process would be a vast improvement in efficiency and economy, and a local authority pursuing a statesmanlike policy will willingly undertake the risk of criticism to obtain the benefits resulting from it.

What may be termed the "humanising" of governmental publications has already been achieved in a few instances at least. An excellent example of what can be done in the way of fertilising what would otherwise be an arid desert of figures may be seen in the annual Review of the Finances of the City of Liverpool, prepared by the City Treasurer.⁶ This publication is a deliberate, and successful, attempt to put into an interesting and easily assimilated form the highly technical contents of the annual "Abstract of Accounts" produced by financial departments. It is an example that might well be followed by other Departments whose work is less technical, and capable of being more easily presented to the simple citizen. This course of action has, no doubt, its own dangers, for it is just as possible to make things too popular as it is to make them not popular enough. Leaving out of the question the pruning of unnecessary detail from annual reports⁷ (which many of them need), fresh matter might be introduced, with the object of making the work of the Department better understood. The Post Office, for instance, used at one time to introduce into its annual reports what the journalist might call "sob stuff." The first, produced in 1854, contained a number of amusing anecdotes about the history of the Office which were responsible for its tremendous success; later reports, we learn, were ornamented with "pretty little stories about tom-tits and cock robins which built their nests in letter boxes, and carried on their domestic arrangements undisturbed by the routine of postal business."⁸ This was skating over very thin ice, and it is not a matter of surprise that every kind

⁶ See *The Municipal Review*, 1934, pp. 469-470.

⁷ The whole question of the form and content of the reports of public bodies is dealt with in an exceedingly stimulating book issued by the Local Community Research Committee of the University of Chicago, *Governmental Reporting*, by H. C. Beyle, Chicago University Press, 1927.

⁸ *The Public and the Administration of the Telephone Service*. Sir A. M. Ogilvie. PUBLIC ADMINISTRATION, 1924, p. 273.

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of popular journalism was immediately suppressed, with, however, too heavy a hand, for the reports subsequently became mere wastes of statistics. Whatever their intrinsic worth, it has been said that "The public liked these stories, and the paragraph writers in the papers were grateful. In this way the Post Office got a reputation as a human Department."⁹ There can be no dispute that a report that is widely read is a better one (in that respect) than one which is hardly read at all, and the introduction of matter which may have but little relation to the really important events of the year may thus be justified.

It might be objected that the preparation of a public relations scheme by the local authority is too expensive a matter for it to undertake, but it need not necessarily be a costly business, especially when the practical returns are weighed in the balance. The use of the film runs into a lot of money, but there is no reason why local authorities should not combine together to set up a film unit, or utilise the one already established by the Post Office. The important thing is, that a properly qualified man should be appointed by each large local authority as Public Relations Officer. Smaller authorities should make use of private consultants, or, once again, they could combine together for the joint support of a publicity office, of which all could make use. The duties of a Public Relations Officer would be to "vet" all the publications of the individual departments, superintend the designing of posters for display, arrange exhibitions, and maintain continuous and friendly relations with the Press, preparing statements for the benefit of the editorial staffs as and when required. The two principal factors in his work would be the Press and the poster. The importance of the one to local government authorities was convincingly demonstrated by the slum clearance campaign of 1933. The pressure of popular opinion that was then generated has shown itself in the trend of subsequent legislation, but the effect might have been greatly enhanced in the localities if an efficient publicity department had been present in each to give the Press the information it wanted, when it wanted it, *and in the most suitable form*.¹⁰ On the other hand, the Empire Marketing Board proved beyond all manner of doubt the value of poster art to a public authority, and it is satisfactory to learn that some public health authorities have made arrangements to continue to use the poster stations for health propaganda purposes.

The Public Relations Officer would therefore need the services of a specialist in poster art, and an assistant trained in the mysteries of newspaper work. It is too much to expect that he would possess all the necessary technical skill for the work. Probably only the

⁹ *Ibid.*

¹⁰ On the importance of this, see Cowell, *loc. cit.*, pp. 223 *seq.*

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largest local authorities could afford a really elaborate organisation, but the pattern of the Local Authority (Publicity) Act, 1931, might be followed, which authorises local authorities to contribute out of the general rate to any organisation approved by the Minister of Health, which is established for the purpose of making known abroad the attractions of the British Isles as a commercial or holiday centre. The Travel and Industrial Development Association of Great Britain and Ireland has been approved under this Act, and local authorities are represented on its executive committee. There is no reason why a like organisation should not be set up for general publicity purposes, which could be used by the individual local authorities for consultation, or otherwise, but there is every reason why the national organisation (if any) should not be the limit of the scope of the work. A public relation policy should be localised in, for instance, the industrial regions, for the functions of the existing Development Officers might well be combined with those of the suggested Public Relations Officers. It might be possible for joint arrangements to be arrived at for placing the headquarters of these officers in the centres of the densely-populated areas round Birmingham and Manchester, and of Merseyside and the West Riding.

There is also another matter that should be mentioned, and that is the personal attitude of officials towards the public. Local authorities in general have not yet woken up to the need for training those of their officials who come into contact with the outside world in the best methods of performing their duties. Exceptions do, of course, exist; the ordinary policeman does usually go through a fairly elaborate educational course before he is allowed out on a beat, and other officers, such as junior sanitary inspectors, are often required to accompany an "old hand" on his rounds for a few weeks, in order that he may be initiated into the mysteries of how to handle people. One or two local authorities, again, provide a post-entry training course in salesmanship for the benefit of the showroom staffs of their gas and electricity departments. Birmingham in particular has obtained good results from this kind of training, and it has been reported that the personnel have obtained from it a new conception of their work, increased enthusiasm, and greater loyalty to their undertaking.¹¹ This is an almost exhaustive list of the work that is being done in this direction!

A curious practice prevails in most departments of local authorities whereby the most junior member of the staff, the "office boy" or junior clerk, has to do all the interviewing of the public that is required at the counter. It is only if the intruder is insistent, or if the office

¹¹ *Salesmanship in the Public Service: Scope and Technique*. Harold Whitehead. PUBLIC ADMINISTRATION, 1933, p. 272.

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boy feels at a loss, that a more senior member of the staff is called upon to interfere. This practice is defended on several grounds; it is said that the work is unskilled, requiring for the most part the mere handing out of forms, verifying that appointments have been made before a visitor is allowed in to see a senior officer, or supplying of answers to simple questions. Alternatively, it is also defended on the ground that it is an excellent training for a youngster who is recruited, raw from school, at the age of 16 or thereabouts. These arguments are mutually contradictory, but they are often advanced by the same person. If the work is merely a matter of routine, and is of no importance, then it cannot be a good education, and *vice versa*. In any case, it is a peculiar doctrine for an administrator to hold that the outside public should be required to do the educating of young officers! It must, on the contrary, be admitted by most people who have carefully studied the organisation of counter work, that however much it may seem to be of a merely mechanical nature, nevertheless a modicum of training is required. That has been accepted by the Central Government, for the Post Office has now introduced an elaborate training programme for its counter staff,¹² and much the same scheme is followed for the sales staff of the Stationery Office.

The importance of the careful and sympathetic handling of the public in the Public Health, Public Assistance, Housing and Town Clerk's Departments in particular cannot be over-estimated. A local authority need not bother itself much about the well-to-do, or "educated" classes (which do not, unhappily, always overlap), as these people can either afford to buy professional advice, or else do not need it; but the humble, the ignorant, and the altogether exasperating masses must be treated with the utmost understanding, in order that the substance of their requests or complaints may receive the consideration it deserves. The ordinary citizens gets strange ideas, and they must be carefully examined before difficulties can be cleared out of the way of the Department. For instance, it appears to be a very widespread misconception amongst working-class parents that the acceptance of free meals for school children prejudices their chances of a good education, particularly their chances of winning scholarships. This may be very wrong-headed, but no amount of public denial will uproot it, as the belief is too firmly fixed. The cure will only come when the confidence of the individual parents has been won by the education officer himself, when persuasion has created an atmosphere of trust and understanding. The man (or boy) at the counter is, after all, the

¹² See *Training of the Post Office Counter Staff*. G. C. Wickens. PUBLIC ADMINISTRATION, 1934, pp. 58-64.

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limit of what the ordinary person sees of the department. He is thus one of the most important members of the staff.

That leads to the final point. The structure of many of our public buildings needs adapting to serve the interests of the public. An American friend of mine recently criticised the planning of our central police stations, which house the administrative headquarters, on the ground that it was difficult, and often next to impossible, for the timid member of the public to find the right room wherein to lodge a complaint against a police officer. Once one might have regarded him with a lofty smile, and observed that things are very different over here, remarking that we do not need to complain about our policemen. But recent events have led us to doubt the wisdom of this argument. Every central police station should have a prominently displayed notice, bearing the legend "Complaints," or perhaps the euphemism "Inquiries," on it, indicating a discreetly designed desk (quite different from that very typical product of unimaginative officialdom with which M. René Clair made such great play in "*Le Million*"). This should be served by a specially trained officer. The same applies, with varying degrees of force, to all the other departments. The inquirer, the complainant, the searcher-after-an-official should not be required to wander up and down corridors, suffer the treadmill of staircases, and bear with the stupidity of liftmen to find what he wants—as still happens in at least one brand-new two-hundred-thousand-pound administrative building. The ideal would be, no doubt, to have all the departments in one modern multi-floor building, *with all the "Inquiry" offices on the ground floor*, accessible to the public. The sacrifice of a few Corinthian columns, mosaic pavements, or gilded staircases, would be a cheap price to pay for such an improvement in our administrative machinery. This may all sound very Utopian, but if we all once realised that the administrative millennium is, after all, only round the corner, a little plain thinking would enable us to reach it in a very short time. And if the classic novel of M. Georges Courteline, *Messieurs les ronds-de-cuir*, had been placed in all departmental libraries when it first appeared, there would by now have been no need at all to write at least the last paragraph of this essay.

Finance and Administrative Control

By A. J. WALDEGRAVE, I.S.O.

[Address to the Bristol Group of the Institute of Public Administration in March, 1935]

A SHORT time ago, Sir Ian Hamilton, at a distribution of shooting prizes, made some interesting observations on the deeds of the British Expeditionary Force in 1914, and explained how it was that their shooting was so surprisingly good. "You won't know the reason, for you won't find it in any war history or war newspaper," he said. "The reason was 'Bobs.' When war broke out the British Reservist had fired in his regular musketry course—in practice rifle meetings and field firings—between seven and eight times as many rounds of ammunition as the reservists of Continental armies. This was worked out under my orders when I was Commandant at Hythe, but I did not trumpet the fact abroad, as I knew well that one of those bureaucratic economists, who must justify their own pay and existence by cutting down someone else, would have pounced upon the item and reduced it."

It is interesting to speculate on the possibility that the whole course of the Great War and of World History might have been different but for this unblushing divorce of administrative control from considerations of finance. In the light of the retreat from Mons, who could fail to forgive Lord Roberts and Sir Ian Hamilton for their precautions against an injurious parsimony? But whether they were justified or not, we have in this little incident an illustration of the inherent difficulty of relating Finance to Administrative Control. Obviously the production of such a thing as quality of marksmanship stands in pretty definite relationship to the amount of money spent upon it. And at once there is the choice between two methods of approach. One may say, "What degree of proficiency is desirable?" and decide to spend the amount of money necessary to attain that standard; or, on the other hand, one may say, "How much can we afford to spend on developing marksmanship?" and let the degree of proficiency follow. The former method puts financial considerations second; the latter method puts them first; and it is natural that disputes should arise between financial authority and administra-

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tive authority so long as each is concerned with securing precedence for its particular method of approach.

It would be possible to devote the short time at our disposal to a general review of the financial system of the United Kingdom as it has developed historically out of the struggle between these two dispositions. Such a review would take us over ground which, as regards some aspects of the struggle, was the scene of " battles long ago " but which now wears such a peaceful appearance that it is difficult to imagine the ancient scenes of strife. Parliamentary control of expenditure and of taxation has become so normal a feature of our national existence that we scarcely pause to consider that the procedure by which that control is exercised wears features of great historical interest. We read in our newspapers that the Appropriation Act for the year has been passed, without stopping to think of the historical significance of the word " Appropriation." We meet such expressions as, " Shall pay out of the Consolidated Fund " without pausing to reflect on the ancient practice of allocating revenue to particular purposes and of the economy and convenience which were introduced by consolidating all the various Exchequer Funds and making one Government purse. And so on. But I don't propose to follow this line of investigation and reflection very far. It will, I think, suffice if we make a brief review of the main features of the existing financial system in relation to administrative control and then turn to a consideration of the question whether we have reached finality or whether perhaps there is still room for development and improvement.

The main features of the control of expenditure on the public services may be summarised thus:—

First there is the preparation of the annual estimates. Each department, a month or two before the beginning of the financial year, sends to the Treasury a forecast of its anticipated expenditure. These estimates are collated and criticised by the Treasury. If departments are asking for more money than the Chancellor of the Exchequer is prepared to let them have, the matter becomes one for discussion between the Chancellor and the other Ministers, and in the last resort for Cabinet decision.

Eventually the figures which the Chancellor is prepared to submit to the House of Commons are agreed upon and form part of the Budget statement. To balance the estimated expenditure there must of course be provision for corresponding revenue.

The estimates are discussed in Committee of the full House; and theoretically the House has power to amend them, but in practice they undergo no detailed consideration in the sense of an investigation into the particular figures which enter into them. The discussions

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on estimates invariably become discussions of political questions, large or small, and only in the very broadest sense can it be said that they constitute an instrument for the financial control of administration. Indeed, under the guillotine procedure of the House of Commons many millions are voted without even an opportunity for discussion being in practice available.

An attempt has been made in recent years to exercise more detailed control by setting up an Estimates Committee which takes the estimates of one or two departments and goes into them in closer detail. But the most effective instrument possessed by the House of Commons for getting some grip on the details of departmental administration is through the audit. The accounts are audited under the direction of the Comptroller and Auditor-General, who is an officer independent of the Treasury and who reports directly to a Committee of the House of Commons set up annually, called the Public Accounts Committee. The examination of the accounts by the staff of the Comptroller and Auditor-General ensures that there shall be reported to the Public Accounts Committee any case of inaccuracy or irregularity and that expenditure of a questionable or of a novel character shall be brought to the attention of the Committee. It is true that the report of the Comptroller and Auditor-General is not presented until nearly a year after the closing of the accounts to which it relates and cannot therefore prevent expenditure taking place. None the less the knowledge that all expenditure will be subject to the expert scrutiny of the Auditor and is liable to receive the attention of the Public Accounts Committee has a real influence on the spending Departments.

It is part of the procedure of the Public Accounts Committee to summon one of the higher officials of each Department, normally the Head of the Department himself, and require him to answer questions on the accounts, particularly in regard to the points to which attention has been called by the Comptroller and Auditor-General. These questions often bear on administrative policy, and there is to this extent a close connection between administration and financial control. The watch maintained by the Auditor and the Public Accounts Committee ensures that attention shall be given to any obvious occurrence of extravagance or of negligence in the use of public funds. If there were a case of downright corruption it would certainly be brought to light by this machinery; but it is almost unthinkable to-day that such a case should occur.

Some years ago there was a strong feeling on the part of a number of people concerned with the public accounts that financial control is hampered by the form of the accounts themselves; and there was a movement, the leading spirit of which was Sir Charles Harris, then

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Head of the Finance Department of the War Office, to amend the accounts in two main respects. In the first place, the accounts are Cash Accounts; they have no regard to outstanding liabilities, to the value of stores consumed as distinct from stores purchased, to pension liability incurred as distinct from superannuation payments actually made, nor to the value of services rendered by one department to another. The Office of Works and the Stationery Office, for example, perform services for other departments amounting in value to many millions, but these services are not reflected in the accounts of those departments although it is true that an estimate of their value is given in a general statement published separately.

The second point urged by the would-be reformers was that, as a rule, neither the Estimates presented to Parliament, nor the Appropriation Accounts of the Departments (which follow the lines of the Estimates) enable anyone interested to see what the cost of any particular unit of service is—that in the case, for example, of the War Office the cost of a regiment or a hospital is concealed, because the estimates and the accounts show the money spent under general headings such as salaries, wages and stores without specifying the particular objects on which such salaries, wages and stores are expended.

These considerations were urged upon a Committee appointed to inquire into the subject of national expenditure; and in its famous Seventh Report, issued in 1918, that Committee recommended that the public accounts be thrown into the form of Income and Expenditure Accounts instead of being merely Cash Accounts, and that the heads of service should be arranged on an objective basis. For a time it looked as if the recommendations of this Committee might be adopted; indeed the new system was introduced experimentally into the War Office; but in the end it was rejected by the Public Accounts Committee of 1925, whose Report on the subject runs as follows:—

“ It is agreed by all witnesses that the new system has not been developed to its complete or logical conclusion, but Sir Herbert Lawrence and Sir Charles Harris hold that if it was so developed, although the immediate result might be an increase of expenditure, the machine would ultimately become a potent instrument for economy.

“ On the other hand the view of the Army Council is that these advantages cannot be secured without a considerable measure of administrative decentralisation to which they are unable to agree. They state that some eighty or even ninety per cent. of Army expenditure is controlled by Headquarters policy or by Army Regulations laid down by the War Office, and that, without

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administrative decentralisation, the economies which have been or can be effected by a completely interlocking system of accounts showing the actual cost of every unit of the Army cannot in these circumstances be at all commensurate with the cost of the machinery."

The conclusions of the Committee were as follows:—

"(1) They are unanimously of opinion that in the absence of decentralisation as recommended by the Report of the Lawrence Committee it is impossible to apply the system of Army Accounts therein proposed, but they recommend that all possible means should be taken to interest commanders of local units in economy.

"(2) They are further of opinion that it is essential for the purpose of providing adequate safeguards against leakage and inefficiency and of inculcating economy, that regular and continuous costing accounts should be employed in all cases, except those in which they are clearly inapplicable, and also that a complete annual valuation should be taken of stocks."

In the result it was decided not to pursue the attempt to place the whole of the accounts of the exchequer on an income and expenditure basis, but that trading accounts should be continued or introduced for those enterprises which are in the nature of commercial undertakings. Under this ruling there are, for a number of Government departments, two forms of account—the ordinary exchequer accounts on a cash basis, and then, for the whole department or for sections of it, trading accounts on an income and expenditure basis. Examples of Trading Accounts of this kind are the Post Office Commercial Accounts, the accounts of the Army Ordnance Factories and the Royal Army Clothing Factory, the Dockyard Expense Accounts, the accounts of the Stationery Office Printing Works, of the Mint and of Farm Settlements under the control of the Ministry of Agriculture.

In the case of these particular departments and branches, therefore, there exists the machinery for a closer criticism of administration in the light of financial results than is possible in the case of other departments; and it becomes an interesting question whether there is in fact more effective administrative control as a consequence of financial information being available in a form corresponding to the accounts of a commercial enterprise.

Any idea that the mere presentation of accounts in proper form is sufficient of itself to guarantee the efficient and successful administration of a business has been rudely dispelled by the commercial disasters throughout the world in recent years; but none the less it remains true in the business world that the profit and loss account constitutes the final test of administrative efficiency, and that sooner

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or later an undertaking must show balances on the right side or must cease to function. Now, it must be admitted that in the case of a Government enterprise, even if it keeps its accounts on a commercial basis, there is not the same inexorable test of efficiency. There is no competition to face; there are no dividends to be paid; there is no bankruptcy court to avoid. Moreover, there are often statutory obligations imposed which have no counterpart in ordinary business.

Take the case of the Post Office. The Commercial Accounts for the year 1933-34 show that on the Postal Service there was a profit of £11,569,000; on the Telegraph Service a loss of £654,000; and on the Telephone Service a profit of £1,393,000, equivalent, with the interest charged on the capital, to a dividend of nearly 6 per cent. Is the administrative efficiency of the Post Office to be judged by its huge profit on postal business, by its large loss on telegraph business, or by its moderate return on telephone business? Is the sorting clerk and telegraphist (an officer who is available for service on either side) highly efficient when he is sorting letters but a hopeless bungler when it comes to sending telegrams? Clearly there are factors in operation which forbid the straightforward conclusion that a favourable balance in a Government account prepared on commercial lines indicates efficiency, while an adverse balance denotes inefficiency.

Let us not be tempted to jump to the conclusion that therefore the attempt to present accounts in a form which shall make them of value as a measure of efficiency and as an instrument of administrative control is futile. Accounts must in any case be prepared in order to fulfil their original purpose of ensuring accuracy and honesty in the receipt and expenditure of money; and the more they can be made to throw light at the same time on features of administration the better. We must, however, recognise that this further function of accounts, as instruments that is, of administrative control, is not so much to answer questions as to provoke them. It is only by close and intelligent examination of the details of the account, by comparison of one part with another and of one year's accounts with those of previous years, and by the following up of the questions which are aroused, that useful knowledge can be acquired. An insatiable desire to know why such and such an object or process is costing such and such an amount of money is the secret of acquiring administrative knowledge of this kind, and it is extraordinary to what an extent the material gathered in the course of preparing accounts like the Post Office Commercial Accounts will yield useful information when it is turned over.

May I quote as an illustration the case of an inquiry into the cost of an inland telegram, the result of which was embodied in a paper

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by Sir Henry Bunbury and myself read before the Post Office Telephone and Telegraph Society of London? Starting with the bald figure of the loss on the telegraph service as a whole, we were able to prepare a pretty close analysis of the cost of an inland telegram and to show that the average cost of such a telegram (the revenue on which was slightly over 1s. 3d.) came to 1s. 8d. We were further able to divide this 1s. 8d., first between Staff Costs on the one hand and Plant and Accommodation Costs on the other, and then to split the Staff Costs so as to show separately the cost per telegram of administration and accounting, of counter work, of operating and associated duties, of pension liability, and of delivery. The inquiry thus carried out played its part in attracting administrative attention to the question of the possibility of effecting economies by drawing on American experience, and a commission of investigation was sent to America with very useful results.

Although it is almost impossible to exaggerate the importance of costing as an instrument of administration, it is all too possible to apply the principle in a mechanical and slavish way and to embark upon systems of elaborate cost accounts which are not themselves worth the cost that they entail. In the case of the Post Office, with an expenditure (apart from capital expenditure) approaching £60,000,000 a year, an elaborate system of cost accounts would be so expensive as to be out of the question, but its absence is no real handicap: it simply means that investigations into costs have to be pursued *ad hoc*, and these investigations arise to a considerable extent from questions provoked by the accounts which cannot be answered directly from the accounts themselves. The accounts are like the divining rod which shows where it is desirable to dig; but a spade is still necessary.

The absence of formal and all-inclusive cost accounts, with reliance in general on *ad hoc* costing investigations, does not preclude continuous and systematic costing in particular directions where that method of procedure is desirable and profitable; and another illustration from Post Office experience will perhaps be pardoned.

In preparing the Post Office Commercial Accounts the whole of the engineering expenditure (which amounts to many millions a year) is classified into what are called Cost Statements. These statements are based on daily records, on the job, of the work actually performed and on sufficiently detailed records of the stores used, and at every stage they are kept in step with the cash expenditure as shown in the Appropriation Account. So far as labour is concerned, the figures of expenditure are derived from records of the man-hours, care being taken that the man-hours when priced out agree with the payments according to the wages sheets.

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From these records of man-hours there are prepared every six months tables showing, district by district, the cost in man-hours of maintaining the different classes of plant and apparatus. The classes run to some twenty-five or twenty-six, and a suitable unit is adopted in each class. Thus, wires are divided into overhead and underground, and in each district there is calculated for both kinds the average number of man-hours per mile of wire maintained. Exchange equipment is divided into manual and automatic, and under these headings the exchanges are grouped according as they are small, medium-sized or large, while the unit adopted is the working end. Subscribers' apparatus is similarly classified, and the unit adopted is the telephone instrument.

For all the classes tables are prepared showing how each district compares with the average for the whole of the provinces, and also how the figures compare with those of the corresponding period in the previous year; and copies of the statistics are sent, with these tables, to the engineers in charge of the various districts. Moreover, for the various classes of work standards of performance in man-hours are set up, and deviations from the standard time is investigated in order to see whether it is justified by special circumstances.

All this might be done, so far as labour costs are concerned, if the Post Office had no Commercial Accounts, but only Appropriation Accounts of the kind common to the whole of the Government service. Nevertheless it is helpful to have the results of the detailed attention to expenditure reflected, as they are, in the Commercial Accounts.

The case of this engineering costing raises the question whether there is any difference between financial measurements of performance and statistical measurements in general. Perhaps little. Accounts are, after all, only a particular kind of statistical information, put into that special form because the information is necessary for ascertaining what money has been or should be or should have been paid or received. But money is not the only measure of value. For practical purposes, time is money; hence it is often convenient to make comparisons in terms of staff-hours, or, as we call it on the engineering side of the Post Office, in terms of man-hours. Or it may be convenient to take a unit, as is done on the railways, of ton-miles or engine-hours, and to compile statistics and make comparisons on that basis. But inevitably calculations based on a unit of this kind get translated eventually into terms of pounds, shillings and pence, and take on a financial aspect.

The review of our subject thus far has perhaps served to bring out the point that the development of public finance is in the direction of those activities which are indicated by the word "costing."

Finance and Administrative Control

Perhaps a better term would be that of "financial studies." The established processes of preparing estimates, making appropriations, rendering accounts and conducting an audit have not lost an atom of their importance and responsibility, but there has grown up the additional duty of assisting administrative control by providing the administrative officer with as much information as possible on the financial effect of his action, whether already carried out or only contemplated, and, what is equally important, of his inaction.

This development has not taken place without its effect on the relations between administrative and financial departments. Its influence may, I think, be detected in the very title of the subject which we are discussing this evening: for note, we are not discussing Administration and Financial Control, but Finance and Administrative Control. The distinction is significant. We are emerging from the period in which the function of the finance officer was conceived as that of imposing an external control on an unwilling administrator, whose disposition to extravagance could only be curbed by heavy-handed restraint. Doubtless there has often been necessity for seeing that a restraint was imposed on exuberant or easy-going expenditure of public money, but external control is never a satisfactory or really effective substitute for self-control; and the ideal is surely that of an administration which is itself genuinely possessed of a zealous concern for financial considerations. Unless administration can be made of this type, financial control in the full sense is impossible.

Meanwhile we have differentiation of function; and the relationship between the administrative department and the finance department depends for its smooth and efficient working upon a mutual understanding of the functions and responsibilities of the two. It is the function of the finance department to supply the administrative department with information and with financial advice; it is the duty of the administrative department to absorb the information and to consider the advice. Responsibility for the final decision in a matter of policy, even when it concerns financial issues, belongs to the administrative officer; and the duty of the finance officer is completed when he has done all that lies in his power to make clear what the issue is. The duty of the administrative officer is to give him every opportunity of shedding light upon the financial aspect of a proposal. The attitude of the one should be: What help can I give? The attitude of the other: What help can I get?

If this is the attitude, there will be a simple answer to the question: Where does initiative lie in financial control and in the institution of financial tests of efficiency? The answer is: With both departments. The study of costs and the pursuit of economy is clearly a primary function of the finance department, and one in

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which the department will be falling short of its duty if it sits down and waits for instructions and interrogations. In many directions opportunities for useful investigation and suggestion will present themselves to the alert finance officer in the course of his daily task of dealing with money transactions and records of cost. But the pursuit of economy by means of wise spending is equally the duty of the administrative department; and that department will be falling short of its duty if it fails to exercise abundant initiative in this direction. The efficient administration will set in motion many inquiries into the cost of particular services, and it will endeavour to keep its finger all the time on the financial pulse of the general system which it is administering. It will seek to cultivate in all its officers a feeling for the principles of true economy and a constant regard for financial considerations.

It may be asked why, if the administration does this, there is any need for a finance department at all, except to keep accounts and to serve as a convenient channel for supplying the administration with figures. Does not its advice become unnecessary or even an impertinence? May I reply to this question by means of a homely illustration from an experience of my own, quite outside the official sphere? Having had a new house built, I was arranging for the erection of a bit of trellis work screening the less presentable part of it from the garden. There was an awkward corner, with a rain-water-butt encroaching upon the path. With what I considered administrative foresight, I took into consideration the fact that a wheelbarrow would sometimes have to turn this corner and pass the water-butt, and I made allowance for the factor in my measurements. When, however, I pointed out to the man who helps once a week in the garden, where the post for the trellis was to go, he at once said: "That'll be too close to the corner, sir; there won't be clearance for the barrow." And he was right. His daily handling of a barrow had given him what may be called a "barrow sense."

An analogy is that of the "road sense" which develops in a motorist. In a finance department there develops a "money sense" or "figure sense" of a similar character. It grows out of the daily concentration on the preparation or examination of accounts and the continuous immersion in questions of finance and costs. An atmosphere is created in which an appreciation of financial points becomes instinctive. This specialised quality is not only a matter of the knowledge which springs from familiarity, but is also one of temper; for a certain austerity of outlook develops which serves unfailingly to check any tendency to too easy an expansiveness or too light an exercise of self-criticism on the part of the administration. It is not always easy for administrative ardour to adjust itself to unfriendly facts.

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To know that two and two make four,
And never five or three,
The heart of man has long been sore
And long 'tis like to be.

The wise administrator is glad, therefore, to have at his elbow a department to which he can not only turn for the arithmetic of things but from which he can rely on there blowing steadily an east wind inimical to illusions.

The conception of the relationship between the administrative and the financial functions which I have tried to indicate as the right one is not a new one. It had taken shape sixty years ago in the mind of Lord Northbrook, who was then at the War Office; and he wrote:—

“ There are two totally different conceptions of financial control The first and more or less the traditionary one, based on constitutional analogies, is that administrative departments are to be distrusted, watched and checked The practical tendency of such a theory, when put in force, is towards the creation of twin rival antagonistic powers; the administrative branch seeking to spend, the criticising financial branch to criticise and check; efficiency and economy are thus at war—or rather, the expenditure which should be directed solely to secure efficiency tends to degenerate into extravagance, and economy which should check waste to result in incomplete efficiency The second and more modern notion of financial control means the union of finance and administration, so that financial considerations may attend and determine administrative policy from its inception, as well as control it during its progress and review it in anticipation of each new financial year. . . . ”

Lord Haldane, to whose inspiring leadership and wise counsel the Institute of Public Administration owed so much in its earlier years, rediscovered this truth, and, as Sir Charles Harris has said, “ made it the foundation of his Army reforms, the most brilliant synthesis of efficiency and economy in our generation.” I doubt, however, whether it can confidently be said that the acceptance and application of the principle have become general and effective in the case either of the central or the local government authorities. Too often the financial department is looked upon as necessary and useful only so long as it keeps to the performance of the functions of cashier and paymaster, but when it goes further and exercises functions of criticism and control, it is regarded as a meddlesome, pedantic and obstructive nuisance. On the other hand there is a tendency on the part of financial departments to imagine that nobody can be

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genuinely interested in economical management but themselves, and, therefore, to adopt an attitude of suspicion and mistrust like that of the mother who says: "Go and see what Tommy is doing and tell him he mustn't."

I cannot claim a close acquaintance with the conditions in the English municipal services, but so far as I can gather there is a disposition on the part of those who are interested in economy to elevate the Finance Committee and the chief finance officer, *e.g.*, the Borough Treasurer, into a controlling authority, with power to curb and restrain all spending committees and even to place a veto on their activities. Some development in this direction, of centralised expert financial control, is probably desirable, but if there is anything to be learnt from the similar development in the field of national finance, and the growth during the nineteenth century of Treasury control, with its later modifications, it is that the merely negative and critical attitude is not sufficient.

The ideal is that spending departments should develop within themselves such a sensitiveness to considerations of economy and such an *expertise* in all questions of finance that criticism from outside will be unnecessary. It is not difficult to meet administrative officers who are satisfied that they have attained the ideal. Indeed, it is all too easy to meet them. But for those who find it a difficult and laborious undertaking even to approximate to the perfect, how best to organise the working relations between finance and administrative control still remains a problem, calling for day-by-day solution in the light of the general principle which I have tried to indicate.

A Republic of Administration

By L. URWICK, O.B.E., M.C., M.A.

[*Luncheon Talk to the Institute of Public Administration at Pinoli's, Wardour Street, January, 1935; (revised May, 1935)*]

I N December, 1933, Mary Parker Follett died unexpectedly in Boston. Through the courtesy of Dame Katharine Furse, herself once a public servant of no mean position, it has been my privilege to work through the papers on political and business government which she left at her London house. Thinking over what I wanted to say to the members of the Institute of Public Administration and doing this work at the same time, I realised suddenly that everything which was in my mind was simply Mary Follett.

As some of you know, I was, up to a short time ago, the Director of the International Management Institute at Geneva. That was a curious position. I was an officer of a private association which was supported officially by the International Labour Office and had its accounts considered by the Supervisory Committee of the League of Nations. Almost all my friends in Geneva were international officials of the Secretariat or of the International Labour Office. On the other hand, I was a business man by tradition, training, and previous experience, running an institute designed primarily for business men.

It was rather a unique opportunity of being in an official world while not entirely of it. I felt sometimes that I was seeing the Civil Services of the different countries, not excluding my own, in a series of sharp contrasts. At one moment I was an official myself with the standpoint of the man who must keep more than half an eye on his political pastors and masters. The next I was thinking in terms of business men all over the world who wanted results from the work of the Institute and were sublimely indifferent to the permutations and personalities of international politics.

In moments of difficulty, I also discovered that my own position appeared to combine almost uncannily the maximum disadvantages of both systems. It had none of the security, the dignity, or the traditions which surround life in any well-established public service. It had none of the direct measurement of financial results, freedom to experiment, or elasticity in meeting situations which are charac-

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teristic of private business. The Institute had to produce some sort of results if it was to live at all. Unfortunately no two members of the heterogeneous group which governed it could agree for two meetings together as to what those results should be. And so, eventually it died. Since it was not a Civil Service, some 25 people were thrown on the street.

But difficult though it is to get a clear decision on policy from any body composed of members with conflicting interests, save where there is some over-riding and impelling objective, such as winning a war, to which all opinions can be referred, my experience at Geneva left me with two general convictions. The first was that, however difficult getting a decision on paper as to policy may be, it is both nationally and internationally, child's play to the difficulty of getting it carried out. The second was that, whatever may be the real differences between nations, however dramatically they may fail in sympathy and understanding, they are as nothing to the mutual contempt, estrangement and obtuseness which separate men in every nation when they follow and have followed widely different callings with persistence and enthusiasm. The distinction between bourgeois and proletariat on which Marx and Lenin have founded a doctrine of world revolution is merely a large-scale illustration of the professional gulf which separates policemen from porters, priests from prizefighters and secretaries of state from captains of industry.

These two things, the difficulty of giving administrative effect to what in politics are miscalled decisions, and the widening gulfs which an ever-expanding need for specialisation opens up between the professions, are not, of course, unconnected. Indeed, their close relation has given rise to a technique which is significant. Geneva has invented a new formula. When the clash of local interests, the sheer hard edges of "realpolitik," are most apparent, delegates do not face such unpleasant issues. They place the right hand on the heart—incidentally covering the solar plexus with the right elbow—and say, with every inflection of sincerity, that they agree with the eminent representative from Timbuctoo "in principle." Then they go on to suggest that in a question of such high importance it would be wise to appoint a Committee of Experts to examine the details. It is a perfect combination of the immovable mass and the impenetrable object. It is difficult enough to get things done anyway. A Committee of Experts to decide how to set about doing it is the most complete guarantee known to man of perfect immobility. "Realpolitik" can pursue its dubious ways entirely unhindered.

This is not a general criticism of Geneva and the attempts made there to build up some machinery of international collaboration. However faulty the technique, however limited the achievements,

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Geneva is all we have between the heritage of Western civilization and the deluge. We may not like the architecture of the League. We may deplore its position. We may criticise details from every conceivable angle. But, if we seek to weaken it, we are traitors to our own dead and to the memory of them which we celebrate each November. We make a mockery of our memorials and our annual Silence. For the stones and the custom are for remembrance. But memories must be living or they are mere sentiment. And the only living memory of ten million fallen of all the nations is this faint uncertain attempt to translate the sacrifice of their chosen youth into a maturity of general collaboration.

The faults in the procedure of the League of Nations are not peculiar to Geneva and its environment. They are the reflection of problems and differences which disturb the nations whose delegations come there each September. Fascism in Italy or Germany, Communism in Russia, Imperialism in Japan, are all symptoms of a heightened political temperature which seeks relief in various aspects of violence. And the cause of that heightened temperature is not obscure. The world in a short century of its existence has taken to an entirely new method of winning food and clothing and shelter from Nature. Mankind is fairly embarked on the age of power-driven machinery. And, as has always happened before when one of these great technical changes has taken place, when pastoralism gave way to agriculture and agriculture to a handicraft commerce, the culture founded on the outmoded realities, the whole structure of social tradition and practice is riven with the tumult of that change. There is no need to sing "confound their politics, frustrate their knavish tricks." For the political systems which we know are confounded already by the march of the machines, and the man who tries to play knavish tricks with a dynamo is frustrate before he starts.

Above all, the new forces which we have released, which we try to shape and use, are founded on the exact sciences, on new inventions and fresh discoveries. Never have the horizons of sheer learning expanded with such rapidity or so one-sidedly. In a century we have altered the whole basis on which we attempt to supply the prerequisites of life of any kind, its material essentials. How, in these conditions, can we expect to master its sheer apparatus? Surely only in terms of the logic which lies at the foundation of that change. We need knowledge, the expert, the scientist, the specialist, more and more. We need him not only in dealing with the materials and processes of industry, but in dealing with men and women, in the art and technique of government, in all the aspects of our common effort to live collectively one with another. And yet, collectively the expert is often sterile. He "knows more and more about less

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and less." For the moment our knowledge of the technique of government has fallen behind our scientific achievement in material things. And co-ordination, which is the core of the art of government, is manifestly lacking. Sociology, group psychology, political science, where do they stand to-day beside the achievements of mathematics, biology, and statistics?

So we witness Fascism, Communism, Oriental Imperialism struggling to win their brief meed of popular approval. They are bound to gain adherents. For, at the moment, they represent one of the fundamental needs of our harassed human nature. We feel that nationalism leads us nowhere. Every man who has seen, and smelt, the rows of putrefying corpses littering a wilderness of shell holes, knows where that parish pumposity ends. But, in the ordinary ways of our world, we must find authority, something that can act, that can drill and mould our egotisms to a single plan. Lacking that bedrock sanction we can find no firm ground. Nowhere save in nationalism, even in this politically experienced land, is there apparent any general principle which can make government effective, which can unite our divergent purposes and emotions to any positive achievement.

If these premises are accepted, then the needs of our time are simple. Broadly they are two:—

- (a) To unite men of different callings so that they may understand each other, be capable of coherent and cohesive mutual thought and action.
- (b) And, what is really another aspect of this same need, to advance our knowledge of the science of government, till it is the equal of the material sciences which are escaping from its control.

Grant us, O Lord, so to number our days that we may apply the hearts of our experts unto wisdom. In other words let us learn to co-ordinate.

And that brings me full circle back to Mary Follett. She was a Boston spinster who, quite late in her life, suddenly published a book on political science entitled "The New State." It was hailed by every scientific journal of eminence in the English language as a work of originality, weight and learning. In this country the late Lord Haldane and Professor Bosanquet, among others, became her admiring friends. Some years later she rounded it out with a study of the psychological aspects of the same problem, entitled "Creative Experience." The chorus of praise was repeated.

Already in this later work she had begun to draw many of her illustrations from the problems and experiences of business manage-

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ment. After it was issued she deserted the accepted field and terminology of political science altogether. The work of her last 15 years is scattered in numerous collections of lectures on business administration and kindred subjects. Most of them were delivered to audiences of students and executives, usually associated with one of those training courses for future pillars of Wall Street in which the United States are so prolific.

This might well seem to a Civil Service audience a museum specimen of intellectual regression. The particular evolution of socialist thought in this country has produced in many minds a vague impression that to make a living in competitive industry is necessarily somewhat dishonest and the resulting performance probably inefficient. *Per contra* to pass laborious, though possibly unproductive, days in the service of some public authority is *per se* a title to dignity and raises a presumption of social usefulness. It is a delusion, comparable to the older social prejudice against being "in trade" of which it is partially a reflection, or the conviction of certain employers that what is done by the State or municipality must necessarily be ill done, against which it is in part a quite natural reaction.

Still it exists. Yet here was a woman of maturity, wisdom and reputation, a woman who was free to spend her time as she pleased, a woman who was one of the half-dozen people in the world who had done really noteworthy and original work in political science, apparently abandoning her chosen field and devoting the last 15 years of her life to thinking and writing about business management. To many it must appear an extraordinary intellectual evolution, calling for some special explanation. In fact it never occurred to Mary Follett that she had left her chosen field of work at all. She was interested in problems of government, of organisation and administration. Being an extremely large-minded person and wholly unimpressed by conventional categories she was convinced of three things. First, all such problems, whether they occur in the home or the Home Office are fundamentally problems in human relations. Secondly, while every human being is different, there is a sufficiently large common factor in human reactions to similar situations to permit the development of principles of administration. Thirdly, and in consequence, those principles must be sought wherever human endeavours to pursue a common objective give rise to the necessity for organisation.

Her study of business management, brilliant and stimulating though her lectures are for their own sake, was in her mind just a normal development—part of her general research into the theory and practice of government. But she found that in studying the management or government of private enterprises, she had a source

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of information and suggestions, far richer than that afforded by the more conventional subject matter of political science. It was not that her field of work had changed. She had merely observed that to till it effectively the roots of her inquiry must ramify in directions which are not usually contemplated.

Here are her own words on the subject—I quote from an unpublished lecture at the London School of Economics: “I should like to tell you about two evenings I spent last winter and the contrast between them. I went one evening to a drawing-room meeting where economists and M.P.’s talked of current affairs, of our present difficulties. It all seemed a little vague to me, did not seem really to come to grips with our problem. The next evening it happened that I went to a dinner of twenty business men who were discussing the question of centralisation and decentralisation. There was no academic talk about the necessity for centralisation or the advantages of decentralisation. Each one had something to add from his own experience of the relation of branch firms to the central office, and the other problems included in the subject. *There* I found hope for the future.

Business, because it gives us the opportunity of trying new roads, of blazing new trails, because, in short, it is pioneer work, pioneer work in the organised relation of human beings, seems to me to offer as thrilling an experience as going into new country and building railroads over new mountains. For whatever problems we solve in business management may help towards the solution of world problems since the principles of organisation and administration which are discovered as best for business can be applied to government or international relations. Indeed, the solution of world problems must eventually be built up from all the little bits of experience wherever people are consciously trying to solve problems of relation. And this attempt is being made more consciously and deliberately in industry than anywhere else.”

The problems which face our time and our community are primarily problems of organisation. We have each our contribution to bring. Public spirit is a function of the individual’s outlook, not of his calling. Above all we should avoid the danger, the very real danger, of crystallising groupings of professional interest into new causes of conflict. The world is increasingly organised by function. It is good that it should be so: it is our only chance of replacing organisation by race with all its emotional hazards. But those fulfilling particular functions themselves tend to organise into professional groups. Where those groups are allowed to become strong and rigid in their outlook, they create a vested interest as surely as nationalism or finance.

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Not only do they create new possibilities of conflict, embarrass co-ordination, and retard progress. The fact that the professional grouping has this collective consciousness, is apt to stifle knowledge. Each group rests secure in the collective conviction of its own sufficiency and acquires "an encyclopædic knowledge of the things which cannot be done." It is well to remind ourselves that Henry Ford whose achievements are unquestioned, whatever we may think of some of his views, has always found it necessary when he wanted to start the manufacture of a new product on large-scale lines to find someone who knew little or nothing of the traditional methods of that particular trade.

Government, administration, how to organise, how to get things done, how to co-ordinate and use experts, are not problems of this profession or that, this trade or the other. They are universal problems. And we can only hope to acquire the wider knowledge of them we so urgently need by drawing on experience from every quarter. The phrase, "but my business is different," is a ready excuse for inaction. But it represents a human prejudice which can only qualify as a conviction in the absence of sincere analysis.

I was delighted the other day to hear Sir Henry Bunbury address a business luncheon on "Personnel Policies in the Civil Service." I was equally gratified to have an opportunity of addressing the Institute of Public Administration. On February 9th last, the Institute of Public Administration held a joint session with the Institute of Industrial Administration on "What Business can learn from Government Administration, and Government from Business Administration." This interchange of views is excellent as far as it goes. But, I am doubtful if it goes far enough. Because it starts with the assumption that the conditions of the two groups are different, and that therefore their experience and their objectives must necessarily be different. The basis of the Associations themselves emphasises the differences rather than the identities. Men associate because they are in business or because they are civil servants, not because they are fully alive to the vital importance of administration, as an art and a science, whatever its purpose or wherever it is exercised.

I believe that unless we hasten along this road, unless in the next hundred years we perfect our knowledge of how to co-ordinate and administer almost as rapidly as in the last hundred years we have revolutionised our control over material things, disaster to our civilisation—disaster complete, bloody and absolute—is inevitable. It is not a question of what is politically desirable or convenient. We must learn to think about government in a new way, from the angle of what is technically possible and effective as a matter of administra-

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tion—government in all its phases, wherever human beings work in association.

There is much leeway to be regained. The Civil Service of this country is one of the finest, if not the finest, in the world. Yet this Association, which is its only instrument for the study of this vital problem, common to every branch of the Service, represents but an infinitesimal proportion of its personnel. The remainder are presumably disinterested in the scientific study of the functions to which they devote their working lives. They rely on tradition, empiricism, use and wont, individual "experience," as a guide to their action in these changing times.

This cannot continue without loss to your service and to the community it serves. That is why I ask you to consider whether the professional approach to this problem which you have hitherto adopted in part is, eventually, the right approach. Its immediate advantages are obvious. But, in the long run, does it not condemn your Association to a more limited and less useful influence than it might well exercise? Professional organisation is by definition biassed. It is concerned with the protection of the "rights and interests of members." But in my view unbiassed examination of administrative practice in every field is the only way to protect those interests in the long run. An "Institute of Public Administration," is, from this standpoint, merely a local affair. That is why I ask you to think as civil servants of the possibility of participation in a wider undertaking, a federation of all those who appreciate the need for more scientific study of our machineries of government—a Republic of Administration.

The Significance of "Public"

By A. C. STEWART.

IN 1922 the Institute of Public Administration was founded. In 1935, L. Urwick raises doubts as to the wisdom of the word "Public" in its name and constitution.¹ It is true that, in the final sentence of his address, he does not invite the Institute to delete that word, all that he appeals for is "a federation of all those who appreciate the need for more scientific study of our machinery of government"; but the special virtue of Mr. Urwick is that he challenges a re-examination of the parentage of the Institute, and a judgment as to the thing it is growing up to be.

The object of the following notes is not to answer the challenge, but merely to direct attention to some of the relevant facts. Abstractions such as: "All problems of government, of organisation, of administration are fundamentally problems of human relations," or "Principles of administration must be sought wherever human endeavours to pursue a common objective give rise to a necessity for organisation" do not in fact contribute much to a consideration of the significance or wisdom of the "Public" in the name of the Institute. Are they not in fact but an echo of the doctrine of the essential unity of all experience and knowledge? A doctrine which may induce humility in the presence of cultivators of fields other than one's own; but which does not deny the interest and promise of one's own patch.

The foundation of the Institute of *Public* Administration did not involve a denial of the significance of spheres other than "Public" where "human endeavours to pursue a common objective" may be observed. It did, however, imply a belief that the corner of the administrative field named "public" required for its cultivation closer co-operation than was possible without an Institute. Furthermore, it was based on a recognition of the special responsibility of civil servants and local government officers within the limited sphere indicated; and on the hope that the co-operative effort would prove sufficiently interesting, when seen in practice, to attract the necessary support.

¹ See pp. 263-270 of this Journal.

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Environment and the Institute Programmes.—So much for the inner consciousness which led to the formation of the Institute. What of the external stimuli so necessary to healthy life? These have not been wanting. During the past twelve years the influence of the following can be readily traced in the history of the Institute, and few, if any, of the lines of inquiry into which they impelled it have yet exhausted their possibilities:—

- (1) Administrative improvisations of war time.
- (2) The reconstruction outlook and the machinery of government.
- (3) The return to normalcy and financial control.
- (4) Experiments in the control and management of public utility services.
- (5) The post-war flight from nineteenth century democracy.
- (6) The attack on the powers of administrative departments of state.
- (7) The development by the state of positive economic functions.
- (8) The movement from "ad hoc" to general administration in local government.
- (9) The daily routine of the public services—problems of organisation and personnel.

The Administrative Improvisations of War Time.—When the Institute was formed opinion was actively exercised regarding two phenomena: (a) the significance of administrative improvisation during the war years; and (b) the Report of Lord Haldane's "Machinery of Government" Committee. By 1922-23, however, the world—including the Civil Service world—was tiring of its war-time memories. The bright glory had faded. There was a growing reaction against state management and regulation; even the large ideas associated with the word "reconstruction" were being rapidly deflated and discarded. It was thus in an atmosphere charged with the negations of disillusionment that the Institute spent its early years. Looking back—after twelve years—it now appears that it was this atmosphere which stifled the attempt to wrest from the experiments of war time their permanent significance.

Reconstruction and the Machinery of Government.—The ideas of the "Machinery of Government" Committee proved more fruitful stimuli. In particular they directed attention to the problems of "devolution" and "decentralisation"—words which may sound clumsy, but which conveyed to many the idea of reducing the occasions for mechanical obedience by increasing the scope for intelligent co-operation. Institute discussions along these lines probably reached their highest level in two papers published in 1925: Sir

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John Anderson's "The Relation of Central to Local Government" and Sir Charles Harris's "Decentralisation."

Normalcy and the Recovery of Financial Control.—Out of this discussion the Institute was interestingly introduced to the subject of finance in public administration. The times were not unfavourable. The exigencies of war and reconstruction had loosened the managerial grip on finance. "Responsible" opinion was alarmed, the country deliberately took the road of deflation, and placed its activities at the mercy of the economisers. Tightening belts, not expanding chests, were required in the names of "patriotism" and the "return to normalcy." In these circumstances the Institute directed its attention to the technique of financial control, the economics of planned expenditure, and the relationship of financial and administrative control of policy. Subjects which it has by no means yet exhausted.²

The Public Utility Services.—Another of the great public interests, which helped to impel the Institute on its way, was that aroused in connection with the constitution, management and regulation of monopolistic public utilities. The first ten years of the Institute's history coincided with a decade of experimentation in public utility control and management. Railways were re-organised and the machinery for regulation in the public interest overhauled. Broadcasting provided another field for experiment both in constitution building and finance; the re-organisation, under the Electricity Commissioners and the Central Electricity Board, of the industry for the supply of electricity provided a third area of experimentation; and the decade was rounded off by the Bridgeman Committee's inquiry into the constitution and management of the Post Office. In essentials this topic had much in common with the problems of "Decentralisation" and "Financial control," and Institute discussions on the three subjects proceeded concurrently.³

The Flight from Democracy.—The interest of the Institute in these various phenomena had by no means exhausted itself, when another political tendency directed attention to other topics. From about

² A comparative study of the following experiments would be interesting research:—

- (a) Assigned revenues for grants in aid of Local Government expenditure (1888).
- (b) Block Grants—Local Government, 1929.
- (c) The assigned revenue for national social services (1911-1934), National Health, Pensions and Unemployment Insurance.
- (d) The terms on which the Treasury has refrained from control of the finances of the B.B.C. and other national public utilities, and has just recently surrendered much of its control over the Post Office (1932-1933).

³ That the work on this subject reached a high level is generally recognised, and was publicly acknowledged some three or four years ago by A. L. Dakyns of Manchester University, who in a note on important studies of the structure and administration of public utilities in England (published in "The Journal of Adult Education") gave pride of place to the work of the Institute and referred to articles covering over 600 pages.

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1928—if not earlier—the nineteenth century machinery of democratic control began to crack under the strain of twentieth century problems. The Continental flight from democracy—or at any rate the flight from control by “party political” bodies—commenced. The repercussions in England are still with us, and it is a matter for debate whether the consequential developments in this country have brought with them an enrichment of the democratic conception or an impoverishment of its practice. In no sphere has the influence of this movement been more strongly felt than in that of public utility management, and the new interest was therefore easily linked with the old. New lines of inquiry were indicated, however, and to meet the need the Institute directed attention to the relations of public servants to the public and to the elected persons in parliament, the cabinet, the local authority and the local authority’s committees. The practice of consultation between government departments and organised interests was made the subject of inquiry by a special research group. Departmental procedure and technique were—on occasion—glanced at with a view to ascertaining its fitness for the twentieth century.

It is significant—and eloquent of the spontaneity of this influence, movement or tendency—that not only has it coloured and inspired much of the best work of the Institute as planned and organised by its programme committee and its regional groups, it has—with two exceptions (Lord Haldane in 1925 and Sir Austen Chamberlain in 1929)—provided a theme for each of the inaugural addresses to the Institute in London. Much of the best and most spontaneous work of other contributors to the *Journal* has also been infused with a realisation of the significance of these changes and developments. It is in fact not merely part of the essential background of the Institute’s work, it is a considerable element in the atmosphere it breathes.

The Powers of Administrative Departments.—It was in the frame of mind induced by this atmosphere that the Institute commenced the discussion of the growing powers of government departments to make rules having the force of law, and to act in a judicial or quasi-judicial capacity—problems to which Lord Hewart subsequently gave considerable publicity by his book “*The New Despotism*.” In his review of the “*Report on Ministers’ Powers*,” Dr. Ivor Jennings referred in complimentary terms to the papers which had appeared in *PUBLIC ADMINISTRATION*—making particular reference to 21 contributions between the years 1923 and 1932.

The Positive Economic State.—With regard to the positive economic and social functions of the state—reference has been made already to the discussions on public utility administration—beyond

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this very considerable piece of work a few discussions on social insurance, public health, and the excellent discussion on State Labour Policy which Professor H. Clay introduced in March, 1926, the Institute, however, has not probed. There would appear to be considerable scope for development in this direction, although since the establishment of "Political and Economic Planning" (P.E.P.) and other groups the need for Institute discussion of these problems is possibly not so urgent as, at first, it might appear.

Local Government Reform.—As regards the concentration of local government functions on a smaller number of authorities; the effect of this change on the relations of local authorities and their officers; and the bearing of the whole movement on the qualifications required by efficient local government officers, the work of the Summer Conference, 1933, and the Reports of the Joint Universities Committee⁴ show the vitality and significance of the Institute's work on this problem.

Problems of Routine, Organisation, and Personnel.—But the public official does not normally spend his days contemplating the vagaries of the political and economic forces of the world, and the abiding interest of ordinary affairs has provided the motive for many discussions and some research

There is a rich field of experience and fact in which one is interested to browse—whether or not there is any prior intention of doing anything about it—and there are the problems arising out of humdrum things. Mr. Sharp, in his interesting survey of the first ten years, which appeared in the *Journal* for April, 1933, spoke strongly in favour of this latter type of work, and no one with experience of kindred societies will doubt the wisdom of what he says:—

"I should like to see more articles by men of the grade of (say) Staff Officers, showing what their work is and what immediate problems it presents. We need also more discussion of humdrum questions such as the distribution of work, the organisation of a small branch, the use and abuse of committees in the work of a Department; and here again men of comparatively low rank are in a position to make valuable contributions."

Difficulties and Limitations.—Among the difficulties experienced and the limitations felt, that most feared by Mr. Urwick—the inherent self-interest of professional bodies—does not occupy a prominent place. There has been little scope for it.

There are, however, two difficulties deserving of mention:—

- (1) The Officials Secrets Act and the traditional anonymity of the public servant.

⁴ PUBLIC ADMINISTRATION, January, 1934.

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- (2) The inherent lack of system arising from dependence on "occasional" papers and articles by busy practical men.

Secrecy and Anonymity.—Dealing with the first difficulty, Sir Henry Bunbury wrote in the October, 1933, issue of the Journal:—

"There are no doubt those who would say that no civil servant should make any statement or express any opinion upon matters with which he is officially concerned, except through official channels—that is, normally, in the official files. If that were the true doctrine for these times, the usefulness of the Institute, so far as the Civil Service is concerned, would be very severely limited. No civil servant could discuss the problems or the practice of his own department with a member of any other department, still less with officials of local authorities, and least of all with persons, however much interested in administration, who were neither. I venture, however, to submit that that doctrine, if indeed it ever possessed authority, is no longer warrantable. It has as little justification as has, under modern conditions, the idea that the *whole* duty of the soldier is to obey the orders of his superior officers. Certainly he must obey them; but he is expected to train himself to obey them intelligently and co-operatively. In the same way, I venture to believe, it is fully recognised that it is right and proper that the rich stores of knowledge, experience, and insight which the public service possesses should be placed at the disposal, as opportunity offers, of all those who seriously seek to know, be they subordinates, colleagues, servants of other administrations at home or overseas, or students in any capacity of administrative theory or practice."

The 5,000 or 6,000 pages of printed matter contained in the volumes of this Journal are evidence that the attitude advocated by Sir Henry Bunbury is fairly widely accepted and acted upon. Yet there are limitations: (a) those set and required by particular authorities, and (b) those inherent in the relation of the officer to the general public, to elected persons, and to his department or authority. The desirable thing would be for (a) to go as far as (b) would allow.

It is, however, easy to exaggerate this difficulty. There is no case in existence where the Institute has felt itself permanently limited in its freedom to discuss a problem of importance and interest. It is recognised, of course, that when an administrative practice or principle has become a subject of controversy between political parties, the time is not opportune for a public expression of opinion by the non-partizan officers of the authority. Still a little more freedom, nay, a little more encouragement to speech, would be a desirable gain.

The Limitations of Occasionalness.—This is not a limitation to be complained of. It is a characteristic of institutes the world over. A realisation of this should be a reminder that institutions do not pursue the scientific study of phenomena—their work is of a different kind. Their primary task is to provide facilities for the interchange of views and experience, to provoke individuals to the task of systematic

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thinking, and to develop interest and make knowledge more widespread.

There are, however, important topics on which it is not possible to think, let alone act constructively, until the basic facts are known and their relationship to each other demonstrated and proved. This is the task of the trained research worker. In the first ten years the Institute, by the committee or group method, completed two limited pieces of work of this kind,⁵ but for most of the research required the committee method is not adequate.

Fortunately the "Spelman Fund" by a grant to the Institute has gone some way to removing one of the root difficulties of research of this kind. And in the sphere where research is required, the Institute, I am sure, will in the future be able to count, in increasing measure, on the active co-operation of workers in the universities to supplement the practical experience which it has mobilised.

The notice of the Spelman Researches, which appears on the advertisement pages of this Journal, contains a list of the subjects on which research is proceeding or has been completed. Considerable as this is, it represents no more than a preliminary tapping of a rich vein. There is much of the same kind of material waiting to be dug out and arranged so as to facilitate consideration and action. For instance, that most difficult sphere, personnel problems, appears to offer great scope. The researcher, it is true, may at times have to negotiate entanglements of prejudice based on supposed conflicts of interest, acquired habit, departmental or class feeling, and many other tangible and intangible obstructions to realistic thinking. But the practical administrator has frequently to negotiate these kind of difficulties. Provided the subject is in itself important, that practical good may result from an increase in knowledge and a decrease in prejudice, the difficulties will be faced.⁶

⁵ See PUBLIC ADMINISTRATION, Vol. III, p. 68 *et seq.*, and Vol. XI, p. 37 *et seq.*

⁶ An illustration of the type of subject I have in mind may be helpful. On the question of the training of staff after entry into the public service it has sometimes appeared that almost every conceivable kind of experiment—possibly excepting the right one—has been or is being tried out. With regard to the bulk of the Civil Service the view obtains that if the Civil Service takes the top names in an examination list it can leave the training to look after itself. The right man will acquire further training in his spare time and from contact with daily practice; the wrong man—well, he is a regrettable misfortune. When pressed for a justification defenders of this policy fall back on the argument that the State should not be expected to provide the training and then later on pay extra because the trained man possesses something which the State has thrust upon him. It is difficult, however, to see the relevance of this moral attitude to the practical problem of securing the best service for the public.

In certain branches of the Service, however, the Customs and Excise for instance, promotion is dependent on the position achieved in a competitive examination held some fifteen years after entry. The staff of the Comptroller and Auditor-General on the other hand are, I believe, provided with an intensive course of training during their early years and the confirmation of their appointment depends on the progress made in that course of specialised training. Tax Inspectors, I understand, have still another system, but of this I know even less than I do of the others. Another type of training is secured

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Contacts.—This then is a brief indication, if not of the life of the Institute, at least of the atmosphere it has breathed and of the tasks it has essayed. In the development of some of these the Institute has been fortunate in the friends it has drawn to itself. Support has been obtained from each of the British Dominions, from very many other countries, notably America, where the good will and support of the Spelman Fund has meant so much. Then there are contacts—personal and intimate—leading business men and students of administration in industry and commerce have come to the Institute, and members of the Institute are also associated with business men in their organisations. Probably one of the most valuable of these contacts is that provided by Mr. Urwick himself. He is not merely the founder and leader of important "Management Research Groups," he is an active participator in the work of the Institute of *Public Administration*.

in certain Departments by attaching weight to certain examinations of a specialised kind, conducted by outside organisations, when considering candidates for promotion. The examinations of "The Fellowship of Insurance" are thus considered in the Insurance Department of Ministry of Health. This latter practice, it will be noted, has much in common with the growing practice in local government.

Here, it is suggested, is a subject on which first-class thinking depends on and awaits the competent survey of the various methods and their *results*—not merely examination results but efficiency results. If possible the results of a change of method—such as the staff college training in the Army—should be considered in detail—this is the right of the experimenter.

For any opinions expressed in these notes, the author is alone responsible.—EDITOR.

The Elements of Public Administration

By PERCY MACQUEEN
Indian Civil Service

[*Being the Winning Essay in the Haldane Essay Competition,*
1934-35]

MR. CHARLES CHRISTIE, in his article "Democracy and the Expert" which appeared in Volume XI, No. 4, of the Journal of the Institute, demonstrates that a professional officer desiring to equip himself with administrative knowledge can find no body of formal principles to help him but must acquire the art of administration as best he can. He cannot turn to the official hierarchy to unlock to him the closely guarded secrets of administrative science for the hierarchy does not know where to find the key. He also, like his professional brother, must learn his trade by repeating the mistakes of his predecessors and probably perpetrating several of his own. Formerly the man in the street regarded with an easy tolerance the blunders of those in authority. Those days are gone. Public administration has now spread its net so wide that few of his activities escape the meshes. Maladministration is no longer venial. It touches his comfort and his pocket and goads him to attack the Civil Service with damaging criticism. The public servant is himself beginning to realise the necessity for setting his house in order. As Mr. Christie says: "We seem to await the advent of some master of synthesis, who, from a full mind on these and allied subjects and with a wide knowledge of administrative history and practice will frame the groundwork of the new science and define its categories."

Let me hasten to disclaim any title to being a master of synthesis or even a serious student of administrative history. An experience of some years as a district officer in India has led me to form certain conclusions as to the nature of the problem, and these I set down here as a starting point for criticism. In doing so I have limited the ambition of this paper to determining the scope of public administration and defining its categories, and have referred to the principles which underlie the actual working only by way of illustration.

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To determine what public administration is, we must first define organisation.

Organisation depends, in the first place, on the union of human wills to effect a common object. A man who digs up potatoes in his garden does not form an organisation, but he does so if he effects this object by employing a labourer. Master and man then unite their wills to dig up potatoes and two of the essential conditions of an organisation are present, namely, that it must comprise more than one individual and that its members should subordinate their wills to effect the common object. But for the effective achievement of that object, something further is necessary. It is not enough that each member of the organisation should be prepared to bend his will to a certain end; certain members must be willing, in some degree, to place themselves in subordination to the will of others. There must be not only a common purpose, but effective direction: the owner instructs and the labourer obeys: otherwise the operation of uprooting the tubers is likely to be unduly protracted. A mob is not an organisation. For though each man may be fired like his fellows with the intention to break his opponent's head or demolish a public building in the sacred cause of liberty, his efforts are in no way co-ordinated with those of his fellows and he takes orders from no one. But let the mob put itself under the control of regularly constituted leaders, and a new factor appears, the delegation of authority, with its converse the rendering of obedience. The mob now ceases to be a mob and becomes an organisation. It is the same principle of direction and obedience that makes government possible and redeems it from the fate of a machine in which each wheel attempted to revolve according to its individual whim instead of in its appointed circuit.

To return to the more peaceful operations of civil government we remark that the man who issues an order must make a choice of alternatives, while he who receives it has no choice but to obey. The directive function is called administration while that of obedience takes the familiar forms of executive, clerical or manual action. These divisions are convenient for the purpose of analysis, but no clear line can be drawn, in fact, between them. A man may both give and receive orders, and if he controls others, even though he be a mere foreman or head clerk, he must choose between alternatives and thereby wield administrative power, while an "administrative" officer must necessarily perform many duties which are purely executive or even clerical or manual.

Every member of an organisation should be aware of its main objective and be inspired with its proper spirit. But only a small number of these can be ranked as administrators and be called on to study, in its complete form, the art of administrative control. The

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ideal administrator must not even stop here; he must also understand the technical processes by which his subordinates carry out their duties. He who would learn to command must first learn how to obey. Administration, therefore, is not a mere branch of the science of organisation but is the most important aspect of and co-extensive with it.

Public administration is administration related to the operations of government, whether central or local. The public service under the British constitution is formed to carry out to the letter and in the spirit the laws framed by the King in Parliament. For the purpose of this paper I shall assume the study of public administration to begin at the point where the parliamentary head of a central department or the chief executive authority of a local body directs the energies of his subordinates towards the carrying out the policy framed by the representatives of the people.

Public administration may, therefore, be defined in the following three propositions:—

- (a) Organisation implies the subordination of human wills to effect a common object through the operation of delegated authority.
- (b) Administration is the directive aspect of organisation.
- (c) Administration is termed public when it is directed to fulfilling the decrees of governmental authority.

The science of public administration can be considered under seven categories. They are:—

Jurisdiction, establishment, discipline, processes and material, co-ordination, control and policy.

They are divisions of convenience rather than of strict logic, and before looking at them more closely we must attempt a brief analysis of the logical divisions which underlie them.

Jurisdiction, which will be referred to in fuller detail later on, concerns the objects of the organisation and the powers which the State delegates to individuals to exercise over members of the public. In other words, it defines the scope of and sets limits to the activities of the organisation. In carrying out these objects, we can distinguish three primary elements, the men who actually do the work, the material with which they work, and the process or the men and materials in action. Each of the three elements may be regarded from two points of view, namely, in its executive aspect which we may call its "function" and in its administrative aspect which we may call "control." The following simple chart illustrates this idea:—

Men		Function
Material		
Method		Control

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In practice it is convenient to make a slight rearrangement in the grouping of these elements. The division of the element of "men" into function and control provides the second and third categories, namely, establishment, which includes the recruitment, pay and transfer of the government servant and discipline, which is the orderly manifestation of the united will. For the rest, material may be combined with method. Its function may be considered under two heads, namely, process, which deals with the exercise of the main function of the organisation and co-ordination, which concerns the exchange of ideas by means of discussion or correspondence. In a boot factory, for instance, the distinction would be between "processes," the actual operation of making boots, and co-ordination, as represented by those activities charged as "overheads." In a court of law, it would be between the actual trial of cases and the correspondence or accounts work of the court's office. Finally, material and method in the aspect of control may be considered in two ways, as regards the present and as regards the future, the last being denominated policy. The following chart will now show clearly how categories 2 to 6 arise from the three elements:—

Men ...	2. Establishment ...	Function
	3. Discipline ...	Control
Material	{ 4. Process and material ...	Function
	{ 5. Co-ordination ...	
Method	{ 6. Control ...	Control
	{ 7. Policy ...	

I shall now offer some remarks in illustration of each of the seven categories, suggesting lines of inquiry rather than attempting to propound a comprehensive set of formal principles. The first category is that of jurisdiction, a term which implies the extent of the powers entrusted to a public servant and the area over which he exercises them. The general problem is to discover how to organise a new department of government or reorganise an old one, that is, to fix the number of public servants and the degree to which power should be delegated to each. Powers are of two kinds, internal and external according as they are applied to subordinates or to the public. An officer normally exercises both internal and external powers throughout the same area but not necessarily in a fixed proportion. The Collector of an Indian district, apart from his strictly magisterial functions, wields extensive external powers of first instance or of appeal where government property or revenue is concerned, while, on the other hand, the duties of a Deputy Inspector-General of Police are almost entirely internal, that is, supervisory and disciplinary. All power descends from government downwards in a diminishing

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degree by a chain of delegation and, since no man can serve two masters, the authority which is entitled to issue an order to a particular subordinate must be unitary and not multiple. An officer's powers may be confined to a single subject or may unite several. In modern western governments the tendency is towards the former and the public servant becomes a specialist. He is not called upon to display that versatility which distinguishes the administrative jack of all trades as seen in an Indian district.

The category of jurisdiction includes many problems which can merely be enumerated here. It is concerned with the making of administrative law, with dyarchy in India—the permanent official as legislator and the minister—or the relative advantages of administration by the central government or by local bodies—centralisation as opposed to devolution. In India, specially, we find an extensive field open for investigation in the union in one hand of administrative functions fundamentally different from one another. All governments operate in many spheres which are radically distinct, for example, in the courts of law and the police, in education, sanitation or industrial and commercial development. The British, when they first acquired territorial sovereignty in India, following the example of their Hindu or Mohammedan predecessors, entrusted powers very various in kind to a single administrative officer, the district collector, though he exercises these powers subject to the control of more than a single departmental head. To-day, the fact that he is the chief magistrate, controls the police and is responsible for collecting the greater part of the revenue of his district is the subject of acute controversy. The opponents of this arrangement attack it on the ground of principle, its supporters justify it by reference to historical precedent and practical success.

In fixing the size of a jurisdiction the facility for touring round it must be considered. Twenty years ago, the official in India used to visit his charge on horseback; now he does so by motor car and consequently he consumes less time in moving from place to place. But this facility for supervision has increased rather than diminished the volume of his work. We may note also that, in an Indian district, the size and position of all jurisdictions, even those of such departments as the educational or medical, which have no direct connection with the revenue, are based on the fiscal divisions of "revenue village," taluk and district, the first of which is the initial source of the land revenue and the second and third the jurisdictions of treasuries.

We now proceed, under the category of Establishment, to touch on the recruitment, training and remuneration of public servants. Normally the public servant enters a particular cadre of government

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within which his prospects of promotion and employment are confined. The division by cadres may be vertical, by the division of one department from another, or horizontal, by a division within each department itself. In India, for example, the revenue department includes three cadres, the imperial, known as the Indian Civil Service, and the provincial, consisting of the deputy collectors in the higher and the clerical and executive officials in the lower establishment. The modes of initial appointment are consequently various and include open competition, nomination, and for the village officers, hereditary accession. Race and religion are elements that enter into some forms of recruitment. In general, there are two main considerations, the age at which candidates should enter government service and their educational qualifications, in other words, whether it is better to catch the public servant young and train him during his impressionable years or to wait till he has, for three or four years, enjoyed the social and intellectual advantages which residence at a university is assumed to give.

Of training, all that can be said here is that the old fallacy that a man could adequately train himself by picking up knowledge as he went along is just beginning to give place to the saner view that the subject is worthy of special study.

The intangible rewards of service are honours and titles, most of which the public servant shares—the lion's share—with the outside public—a fact which poses the question whether it would not be of advantage to draw a clear line between the distinctions conferred on officials and those open to unofficials. The tangible reward of the officials are pay and status. In general the element of certainty in the former has hitherto distinguished public from private service and been the primary factor in determining the rates of pay which are attached to the various appointments. Setting aside that microscopic minority which enters government service with the pure intention of serving its fellow citizens, men seek service in the hope of earning distinction or obtaining an income which is secure. And of these two the latter is more often the determining motive. Recent events in many civilised countries demand an answer to the question, how far the occurrence of financial difficulties justifies a government treating its servants, by reducing their salaries or pensions, in a manner in which it would not dare to act towards its creditors in respect of loans or contracts. Nevertheless, not only the fact but the extent of a reduction in salary remains to be justified on an intelligible principle. The appearance of this element of uncertainty in their prospects is bound to unsettle the minds of public servants and affect their attitude towards their duties and, by familiarising them in their own persons with the practice of expropriation, to have a profound effect upon the future policy of government. For the

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purpose of the study of public administration, it compels us to consider the whole question of personnel from a different angle.

The third category is that of discipline. It concerns promotion, reward and punishment in their subjective or administrative aspects. Discipline is not to be regarded as the mere antithesis of command and obedience. These are the dry bones of it without the spirit. Discipline is only a worthy conception when it manifests the voluntary subjection of the will of every member of the organisation to the extent demanded by a rational system of delegation. Every government servant must have an intelligent understanding of the objects for which his department is formed, a pride in its achievements and an active striving after perfection in his own work.

Sound discipline is based on certain simple moral rules and though their restatement may appear trite it is justified by the frequency with which private interest or human frailty conspire to disregard them. The virtues of a subordinate—and, *a fortiori*, those of his superior—are fairness, truthfulness, honesty, obedience, politeness, knowledge, promptness, accuracy and the avoidance of waste. Reward and promotion should depend on fitness and not on pressure from the vantage ground of family influence, social popularity or athletic prowess. Nor should the selector attribute an undue importance to those differences in ability between man and man which are so seldom so great as interested parties would have us believe.

Punishment, when necessary, should not be vindictive but should maintain a due proportion to the offence. The authority empowered to order punishment may be a single individual, a board or an *ad hoc* tribunal like a court martial. The risk of injustice in individual decisions is great, for we cannot eliminate the possibility of personal prejudice, undue severity, hasty or indolent decision. An attempt is made to counteract these dangers by an elaborate system of appeals, but the right of appeal is often a broken reed. It engenders distressing delay and suffers from the inevitable defect that the righting of a wrong is apt to find arrayed against it the full force of official prestige. Decisions made by a board of superior officers are usually less satisfactory than those made by an individual. The method of the court martial is probably that best qualified to deal even with civil misdemeanours, as a man is most likely to get fair treatment from those who are approximately of his own standing.

Of the category headed processes and material little can be said here. As already explained it is a branch of the subject analogous to the productive processes of a factory and deals principally with the procedure under which the provisions of law are translated into action. It would include also such activities as the operation of a system of posts and telegraphs, or of railways, when worked by State agency, and of manufacture in jails.

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Co-ordination deals with the exchange of information and the pooling of ideas. It may be regarded as the brain of an organisation, comprising as it does the methods and the mechanical means which we employ to arrive at a decision as to how we shall act. Co-ordination may operate both formally and informally. Its chief media are the minute, the telephone, and personal discussion between two or more persons. The informal interchange of ideas prepares the way for formal and official discussions and, when properly used, is, in the complication of modern business, the only sure way to avoid red tape and divided counsels. It checks the growth of that narrow departmental patriotism which puts the pride of a department before the public interest. It demands tact, politeness, experience of men and a clear grasp of the different moves which are necessary and sufficient to the completion of a project. Above all the officer on whom lies the responsibility for making a decision must make it according to his convictions even at the risk of unpopularity and if he shares the responsibility with a board must have enough decision of character to avoid the cowardice of the neutral vote.

Strictly formal discussions are mainly effected by noting and correspondence and this category comprises on its mechanical side the medium in which the official craftsman ordinarily works. He employs both the age-old tools of ink and paper and many ingenious modern devices such as the loose-leaf file and the typewriting machine. With these he executes the work of very various kinds arising out of the seven categories. The subject of co-ordination must, of course, be studied in relation to each of these categories. But the first analysis should be based rather on the special characteristics of each instrument and its technique rather than on the special purposes to which it is applied. This order of inquiry would produce such sub-divisions of the category of co-ordination as the collation of facts; drafting; accounts, which effect control of monetary transactions; their first cousins, registering, tabulation and statistics; filing and record-keeping, which is the lobe of memory; and the use of office machines.

All the technical methods employed in the practice of administration are based on the assumption, derived from the defect of human memory or of human honesty, that every significant fact is to be recorded in writing. The object of this record is to furnish subsequent legal proof of a fact or a body of information which will facilitate general control or fix on government servants responsibility for their actions. The record of every operation will generally be two-fold, namely, narrative or detailed in the form of a file, and abstract in the form of an entry in an account or register. The latter is a chronological abstract and is primarily a record of that which comes into, circulates in or goes out of the office, whether it be corre-

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spondence, material or money. A knowledge of the methods of tabulation and statistics will enable us to use the entries in the abstract register not only to check the salient facts of a particular case but also to furnish statistical information regarding a group of cases, such as the volume of a particular branch of work or the rate at which it moves towards completion.

In the domain of method the principle of economy is paramount. It embraces not only economy of material but economy of effort, and a potent factor in it is standardisation both of material and processes, which applies to recurring problems the result of experience.

We have already, in the third category, considered discipline, the control of the men who make up the organisation. We have now, in the sixth category, to consider the control of operation and material. The investigation may be regarded in two aspects, the control of individual operations, and the control of operations in the mass in relation to the quality of the work done and its rate of progress. Much of the work of an administrative officer is purely critical in character. He scrutinises the proposals of his subordinates, testing them when necessary by local inspection, before passing them on to higher authority for sanction. Control of the work as a whole is effected in two ways, the one by inspection, as when the collector visits the office of a subordinate, and the other by reports, some special and some periodical, in which his subordinates send information to him. General inspections, apart from the examination of buildings, plant and stock, are primarily directed to judging the quality of work done and are detailed and retrospective. The information furnished in reports is current and intended to exhibit the rate of progress. The normal purpose of inspection is to train subordinates and point the way to improvement in quality and method. When carried out after due notice and with reasonable frequency it is a powerful stimulant to good work. But it is wrong to regard it normally as a penal procedure and it is better to avoid surprise inspections unless there is reason to suspect serious irregularities.

The collector watches the progress in the disposal of miscellaneous cases, and in such major operations as the collection of land or liquor revenue, the issue and repayment of government loans or the execution of repairs to minor irrigation works, by means of periodical returns from the taluks. These he consolidates into a district return which he submits to higher authority. They are, in fact, often designed more to furnish statistical information to higher authority than to supply to the collector in a concise form the intelligence on which he can base his control. For example, in the monthly returns of land revenue collections, amounts have to be classified under such heads as revenue derived from land irrigated and unirrigated,

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occasional charges for government water, quit-rent, payments by zamindars, forest produce, and so on. These again must be subdivided into amounts falling due in different periods. The figures cover eight pages of foolscap. From each of the ten taluks comes this complicated monthly return, which is only one of several. The statistical treatment of these returns is a routine process. But they are too voluminous to be used without simplification for a rapid survey of progress. For that purpose a few "key" figures must be extracted and arranged. The key figures for the collection of revenue are those for the demand, collection and balance, and for the execution of works those for the value of estimates sanctioned, work done and work paid for. The principle of arrangement is that of comparison. The figures for each taluk are posted in a running table month by month, and if necessary a side column will show the corresponding figures of the previous year. Against each month's figures the collector writes his criticisms or instructions. Thus will be built up over an extended period a history of progress and the collector's reactions to it. The work involves a somewhat elaborate technique which has not, so far in India, received the attention which it deserves.

As the study of control teaches us how to steer the administrative vessel, that of planning points the course that we should hold. Both depend upon a proper system of intelligence, though planning deals less with detail and more with general movements. It has two aspects, internal, which deals with the planning of the general work of the department and of single items of special importance and with the improvement of method; and external, which relates to the formulation of policy.

Modern government is complex and demands that office methods should not be fortuitous but should be governed by rules. Rules must not be confounded with red tape. They are ready-made solutions of every day problems, crystallised experience which releases energy for the solution of other problems. Their absence is the opportunity for individual genius, as the Gordons or the Lawrences have found. But their establishment waits inevitably on settled government and tends to level up individual practice, though it can never altogether eliminate differences in capacity between man and man. Rules of office procedure may, at first sight, seem things of minor importance, but, as the strength of a chain is in its weakest link, many a good policy has foundered on the rock of faulty execution. Rules should constantly pass under review, for changing conditions make finality of method impossible.

Each member of the organisation should have an intelligent understanding of the way in which it is built up and of its methods and policy. The administrative officer should go further and do his

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share in formulating policy. He should apply himself first to the facts under his own eye, many of which in their quantitative aspect are to hand in a carefully digested form in the progress charts already touched upon. The compendious annual administration reports prepared in different departments will give him a broader view. He should also lay under contribution books and periodical publications and personal contacts, so as to keep himself in touch with current thought. If he holds the position of an administrator in India there is laid upon him the additional burden of acquiring a knowledge of the social and economic structure and of the thought and language of the people. Nor must he forget the value of meditation. He should try to approach each problem as a statesman and not merely as a permanent official; to understand not only the letter of the law by the authority of which he exercises his power but also the spirit in which the most enlightened public opinion would desire him to carry it out; to anticipate the direction of change and gauge its effects on public opinion; and to be always ready to meet a request for advice regarding a proposed course of action or, when occasion demands, to volunteer criticisms of administrative measures. The degree of an officer's ability to handle problems of policy is the supreme test of his capacity as an administrator.

These seven categories may be called the seven lamps of administrative science. The materials for their study lie in serried rows—largely untouched—on the shelves of our public muniment rooms. The lack of a comprehensive study may well be holding back the progress of the human race towards better government. Violent revolution, which disgusts so many rational people, is surely a measure of the failure of administrative science. The advocates of communism or state socialism are probably over bold in assuming that the present practitioners of public administration would be able to stand the strain which, in attempting to carry out these political ideals, would be put upon them. They could hardly be worked with any prospect of success if administrative action were not informed with a knowledge and precision in which at present it is lacking. A well-known politician has elegantly remarked that you can find experts even on dunghills. Amongst these metaphorical roosters the number of administrative experts is likely to be minute. The practice of administration suffers from a paucity rather than a plethora of expert knowledge and, while we should rise up to destroy a government by experts, the people must have experts to give proper effect to their decrees. Too often the administrator is receiving the pay of an expert for doing the work of an amateur. There is need for a great advance in the study of the science. For it is not too much to expect that the popularity of a government will react for the public good to a strong, upright and, withal, efficient administrative body.

Notes

THE USES AND DANGERS OF PUBLICITY IN THE WORK OF GOVERNMENT

By F. R. COWELL, B.A., B.Sc. (Econ.).

ANALYSIS

- I. The Tradition of Secrecy;
- II. Publicity as Information :—(a) about Legislation ; (b) about Administration ; (i) Rules and Procedure ; (ii) Administrative "Codes" ; (c) the Argument from Commerce ; (d) Need for Separating the Publicity Function ; (e) Cost ; (f) Danger of Misuse for Selfish Ends ; (g) Psychological Constraints ;
- III. Publicity as Persuasion :—(a) Education, Persuasion and Propaganda ; (b) Legitimate Fields for State Persuasion ; (c) Difficulties and Dangers ; (d) the Political Responsibility ;
- IV. New Attitudes to Government require that the State should become more Articulate.

When, in the "Advancement of Learning," over 300 years ago Francis Bacon wrote "Government is a part of knowledge secret and retired" and that "we see all Governments are obscure and invisible," he described a characteristic of Government with a very long history and one certainly that few of his contemporaries would have thought it possible or even necessary to alter.

Although the tradition of secrecy is not yet dead and the Civil Service in England is still silent about much of its work, a revolutionary change has taken place in the provision of information about the work of government since Bacon wrote. The history of this change, when it comes to be written, will undoubtedly be seen as an intimate part of the history of the rise of parliamentary democracy and the vast expansion in Government activities, both of which have occurred in the nineteenth century.

For it is no very recondite deduction from the principles of democracy to argue that the political responsibilities of the masses demand that they should be in possession of adequate information upon the acts and intentions of their Governments. Merely to appeal to the theory of democracy, however, to justify a procedure logically involved in democratic government, does not advance the argument very far. "Publicity," moreover, has several meanings, and it is by no means clear that all of them are equally permissible in a democracy.

In its simplest form, the provision of information, publicity of some sort is essential to the work of organised government. Dictators must proclaim their ordinances and Parliament must promulgate its laws. But although there will always be a sense in which State publicity is in part a policy of promulgation, it is clear that it is unlikely to be nothing more.

The assumption that every elector should be acquainted with the administrative work of the central and local government of the country has never had even the lip-service generally paid to the theory that everyone knows the law.

It is not necessary to inquire into the reasons for this discrepancy in order to realise the difficulty of suggesting a standard whereby the adequacy of a State information service can be assessed. To borrow an economic concept and to say that the supply should be adjusted according to the elasticity of demand, might provide a minimum standard if the means of measuring that elasticity were more evident, and if it were clearly illegitimate to supply the information and to trust to the supply itself to create, here, as elsewhere in the economic world, the necessary demand.

Clearly in the present state of public education and of human intelligence it would be inviting certain disappointment to imagine that it is the political duty of the electorate to acquire a vivid mental picture of the entire work of its government. As a realistic student of current politics has well said, "If all men had to conceive the whole process of government all the time, the world's work would obviously never be carried on." The theory of democracy would certainly require re-statement if this were one of its

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postulates. No intelligent programme of State publicity will have such an aim, for the myriad activities and responsibilities of modern government clearly make it impossible. Mr. Lippmann would not indeed have had a very difficult thesis to defend if he had said that no man can conceive the whole process of government all the time.

The business of government is obviously not with all the people all the time but to a very large extent with groups and classes. State publicity will be made up of a varied collection of programmes differing widely in content and objectives. Their content will be determined to a considerable extent by the procedure and rules of the departments, but the need is for more than this. Departments charged with the administration of important social legislation are creating codes of practice in their own province. This tendency will continue as long as Parliament decrees general principles and delegates to the administration the duty of fitting them to the tough facts of everyday life. These codes, elaborated by the thoughts and decisions of administrative officials, form the working philosophy of administration, an administrative case-law, which will often be quite as important to the public as the general framework of legislation within which they arise. State publicity which assists the public to acquire knowledge of this type will therefore promote a better understanding of the social environment and contribute materially to the efficiency of social life. Here then is a field in which more information would clearly be more valuable.

Elsewhere, notably in the realm of economic and social statistics, the demand for fuller information of the type that only the Government can supply is already insistent and it is not likely to diminish. Nevertheless there are other branches of administrative work in which it may not be so necessary to increase information as to devote more care to the manner and occasion of its presentation. When commercial organisations, manufacturers and newspapers all begin to display a remarkable eagerness to create the best impression possible in their approach to the public, they afford, it is true, additional evidence of the power of competition in business, but at the same time they reveal while they further stimulate a new public susceptibility to a tactful, intelligent and gracious address.

It may not be possible to go all the way with the distinguished practitioners of commercial advertising who continue to express their astonishment that the Government will not adopt methods which they have learned to utilise with such success in trade and commerce. But the fact of that success is so plain and the reasons for it are so obvious that it is equally impossible not to see that in some respects it may have an important lesson for public administration also.

Yet until the present time, concentration on the daily tasks of administration has delayed a realisation of the public need for better information about government. But until the work of imparting information is recognised as a special and difficult art and is deliberately segregated into a separate departmental function, it is never likely to yield the benefits of which it is capable. Neither is it likely to be conducted so economically; a factor which steadily grows in importance as the scale expands upon which the publicity is undertaken.

When, however, a special publicity service is provided, it soon produces a different spirit both in the organisation itself and in the public which it serves. Nor is this surprising, for one of the first duties of a publicity officer is to look at his department as the public do, from outside. He is able therefore to see what is necessary before the convenience of the public and of the department can be synthesised into an harmonious alliance. Any action which has this result, which makes administration more adaptable and humane, will make it more acceptable to the public for whose service it exists.

Benefits of this sort lie so much on the surface that opposition in principle to an increase in the supply of information about government is not likely to be vigorous. Difficulties of a practical order remain and they are not insignificant. There is the question of cost. In so far as the desired results can come from a more sensitive appreciation by departmental officers of public opinion and of public feeling, the expense is not likely to be great. But the expense will mount rapidly as soon as it becomes desirable to employ special machinery, such as advertisements in the Press, by posters, films or leaflets. As long as the results remain on the spiritual plane it will be difficult to justify the expense. No statistical method exists of showing the degree to which public satisfaction with administrative methods and objectives results in a more efficient social environment. The credit for administrative improvement cannot easily be shown as a cash credit. This difficulty saves the majority of critics of administrative action from exposure. In normal times, for instance, taxes are collected by a formal note of the amount due backed by reminders of the necessity for payment. Sooner or later the money comes in. During war time, or in a time of national crisis, hundreds of citizens volunteer immediate payment. The same sum may be paid in normal times but the spirit in which it is paid is very different. This is an extreme example. In a crisis there are manifestations of public hysteria which it is no part of the duty of the administration to seek to reproduce as a normal attitude towards State measures. But an extreme

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example has the merit of revealing that public awareness of State purposes will result in a response to State requirements which is totally different to the sluggish reaction when the public mind is uninformed and consequently uninterested. The justification for much public expenditure on State publicity must rest upon considerations very similar to those which justify State contributions to museums, art galleries, universities, schools and colleges. It will be to some extent an act of faith: *magna est veritas et praevalabit*.

Apart from questions of expense, two other possibly unfavourable results may be imagined. It may be feared that attempts will be made to utilise the information service either to enhance the reputation of political and departmental officials or to secure greater appropriations for the department. The traditions of the British Civil Service and of British public life may be presumed adequate to prevent such misuse. As long as publicity consists in the supply of information and nothing more, it is unlikely to advance the reputation of the administration unless, as is perhaps conceivable, such a result should be thoroughly well deserved. For the information given is supposed to be true. Publicity is not camouflage.

The second objection is based on a fear that civil servants accustomed to the free expression of their thoughts in full confidence that they will be secret, will no longer give the same fearless service if they have to adjust themselves to the possibility that the secrecy will not be kept. This objection, which arose over the publication of Foreign Office minutes and papers of the pre-war period, relates to a very special branch of government involving more than merely national considerations, and is rarely likely to apply to a normal government information service. Not only will there be no question of giving publicity to the opinions of individual civil servants but that part of the ordinary routine of administration which must be kept secret is never likely to be large and it can obviously be excluded from the scope of publicity work.

A publicity service may impose some constraints but they will result from a more vivid realisation of the state of public opinion on administrative questions and from an enhanced regard for the public attitude towards administrative innovation. So far from retarding progress such a result should make administration more efficient because it will show how it can be better adjusted to the environment in which it must work. This environment will also change. One of the most valuable results made possible by an information service is precisely that it will elicit a new form of public co-operation with the Government. Co-operation cannot be had without criticism and the result must be faced that to give more information about government is likely to stimulate public criticism of the methods of administration. Public servants may be excused some sensitiveness on this score, for few suffer more from ignorant criticism than they. Publicity should not only correct this but it should ensure that the public will be able to contribute informed and constructive criticism where before it could merely express a vaguely formulated dissatisfaction.

These are general principles with an application over the whole field of government activity. The formulation of policy, the administrative process, the conduct of commercial services and the operation of the social services, both by the central and local government, are all parts of the work of government capable of better service in proportion as they are better known.

Up to this point it has been assumed that the provision of information is possible without joining with it attempts to change public attitudes or behaviour by means of education, persuasion or propaganda. Much of the hesitation with which proposals for State publicity are received are no doubt due to distrust of propaganda. It is unfortunate that the words are loosely used as though they were interchangeable. To give publicity to a fact or to an opinion should mean that it is made public and nothing more. Publicity may and often does result in changes of opinion and behaviour but that is not its motive, which is to make known.

Education also aims at making known but it seeks further to develop certain views of what constitutes reality in the various spheres of human knowledge. These views are either part of the common heritage of human knowledge or are immediately referable thereto.

Although propaganda may be said to be inoffensive when it is informative or educative, the words "publicity" and "education" alone are adequate in this sense and it seems desirable to reserve "propaganda" for use in the more sinister sense it has earned in recent years. It has so been defined as "promotion which is veiled in some way or another as to its origin or sources, the interests involved, the content spread or the results accruing to the victims."

Evidence of the fearful havoc wrought by propaganda not only in time of war but in the consolidation of dictatorships is too recent for there to be any question of attempting its rehabilitation as an instrument of constitutional government in normal times. If the State undertakes "promotion," it must not be veiled. Assuming therefore that the source of its advice is always obvious, should the State advise and persuade as well as inform? A negative answer seems to follow from the view that Government is

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the creature of democracy with no mandate to tamper with the source of its power. But such an answer takes no account of the varied nature of the administrative task.

The fields in which persuasion will be attempted are, it is true, always likely to be less than those in which information may be imparted. Nevertheless there are obvious administrative tasks which might as well never have been undertaken if they are not to produce those changes in public behaviour for which alone they could have been devised. Who wills the end wills the means. Can it be questioned that the Ministry of Agriculture has a duty to advise farmers to make use of discoveries in agricultural science, achieved by State-aided research? Is the Ministry of Health to remain silent after medical science has discovered, with State aid, new methods of preventing disease and new ways of improving health? Efforts to secure a rapid reduction in the number of accidents on the roads, in factories, mines, quarries and on board ship will fail unless the Government departments studying these problems are allowed to make their advice known.

Advice based on scientific research and the study of protective techniques is perhaps the most obviously legitimate type of persuasive action by the State. In economic and social policy where scientific certainty has not yet been achieved there is less scope. Yet the public must act on the best advice it can get. In a crisis it may be urged to grow less wheat, to burn coffee, to "Buy British," or to accept a reduction in the interest on its public debt holdings. Such advice may be thought essential in the national interest. It is approved by Parliament or Congress and it is the duty of the administration to make it known.

But the difficulty and the dangers of the task cannot be ignored. A swift nemesis will overtake the unskilful practitioner ignorant of the varying susceptibility of public interests and emotions. While the responsibility for stating facts is normally no greater than the risk of error in the facts themselves, the responsibility of urging, in the present undeveloped state of the economic and social sciences, definite lines of conduct is much more serious. More especially any perversion of the machinery of political persuasion entails so grave a threat to public liberty that no safeguards against it can be too rigorous. To advise or persuade involves a responsibility which in all major issues at least can only be assumed by the political leaders of democracy. It is no part of the administrative task. But when once the need for the advice is recognised, to give it form, to broadcast it economically and efficiently by the choice of the most appropriate publicity methods is clearly a task which only the administration can perform. Here is a way of serving democracy. Here, too, is a way of strengthening the resistance of the masses to infection by power propaganda manipulated by self-seeking minorities disguising their real aims with specious talk about the "totalitarian state."

It is a duty likely to become more frequent as human knowledge widens, as the means of controlling the conditions of social and economic life become better known, as the machinery of government is better devised and as mankind learns to see in the division of labour which gives its professional administrators a means to progress which alone and without that aid they would never attain. And in the measure that the new outlook on the problems of government required by the development of these factors becomes more consciously recognised, so it will be seen that the State must become articulate in the future as it has never been in the past.

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The War Office

By HAMPDEN GORDON, an Assistant Secretary. Pp. xvi + 358. (Putnam, Whitehall Series.) 7s. 6d.

THE author of this volume, the first of its series to deal with one of the Defence Ministries, has set himself to explain to his readers the nature and variety of the problems that arise, not in guiding on behalf of the Central Government the actions of other Governments—Dominion, Colonial, Local—having policies, powers and funds of their own, but in training, feeding, clothing, housing and generally administering large bodies of men (and to some extent their families) who in accepting an artificial life have for the time surrendered the liberty of the normal citizen to fend for his own in his own way. However such a Ministry may strive to decentralise executive action to its local agents, it cannot escape responsibility for policy, efficiency and expenditure in detail; and it must be prepared at a moment's notice to multiply the whole scale of activity by ten, transport its men to any part of the globe and transfer them to the still more artificial life of a fighting force in war, under the heaviest load of responsibility for the national safety. These features give the work of such a Ministry a distinctive character remote from the experience, and even the conception, of the Man in the Street. Moreover, for reasons deeply embedded in our constitutional history, as shown in the book, the War Office official has of all public servants—except possibly the exciseman for a period—been the most unpopular. Palmerston might record that the Head of the War Office, a century and more ago, was “the officer who stands peculiarly between the people and the Army, to protect the former from the latter, to prevent their public revenue from being drained by any unauthorised increase of military establishments, and their persons or property from being injured by any possible misconduct of the soldiery”; but the people have never shown any spark of gratitude, while to the Army itself the Office always stood for irksome control of the military by the civil power, and, about 1870, when Army reform could no longer be deferred, for the violation of everything the great majority of officers held most sacred. Still later, there were Secretaries of State whose

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ideas of reform led them to work against their department rather than through and by its help. Altogether, no bed of roses!

Under these conditions, Mr. Gordon has not only broken fresh ground in opening a new section of the series, but has set a new standard in the literary qualities of his work—clarity without superficiality, a light touch on heavy matters, a saving sense of proportion and of humour. In the faith that “to know all is to forgive—*much*,” while not losing sight of the distinction between the War Office (his proper subject) and the Army it administers, he has told (with minor irrelevancies such as the Table of Precedence of the several corps forming the Army on page 338) just enough about the Army to make War Office problems intelligible; has explained technical matters in untechnical language; has made the book as complete as considerations of space would allow, and has reconciled his freedom as a critic with his obligations as a serving official by writing frankly of the “almost incredible omissions and errors” of bygone days, while confining himself to description in dealing with to-day. It is as though in his researches he had come upon the authentic sailing instructions for mariners using the Scylla-Charybdis passage. With the table of relevant dates in English History he has thoughtfully provided, the book is so eminently readable, and yet so full of “meat,” that a reviewer cannot do justice to it by either summarising or quoting; while there is singularly little in need of correction in detail.

Yet it used to be a commonplace in the War Office (and doubtless in other departments) that many of the most important decisions taken are not to be found compactly set forth in the registered files; and there are a few points at which, the oral traditions having died out, Mr. Gordon's account of the fairly recent past may be usefully supplemented. The evolution of the relations between soldier and civilian official which, as Lord Hailsham's brief introduction explains, have made and kept the modern War Office “a very live department,” began with the constitutional check of department on department, deliberately contrived by statesmen to produce “second thoughts” at the price of a certain amount of internal friction, and has ended, as the book shows, in a more harmonious scheme of constructive co-operation. The opposition between red coat and black reached its climax when military pressure induced a not very brave Secretary of State (Mr. Stanhope) to break up the sound Cardwell-Northbrook organisation of a permanent Supply (*matériel*) department, and throw the whole business of the Army (except the purely commercial side of contract-making) into the hands of military officers holding short-period staff appointments under the Commander-in-Chief, the Secretary of State with his ministerial assistants and civilian officials retiring to the Hindenburg Line of Finance. By this plan, the

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permanent element in the Office could contribute nothing to business administration unless by raising a formal "financial objection" to a military proposal. The whole plan, as the book shows, worked badly from the start, on its military side; but the reintegration of the two elements was begun in 1899 through the wisdom of Sir Henry Brackenbury whom Lord Lansdowne, who had seen his work in India, made Director-General of Ordnance. After a short experience of "financial objections," he asked the present reviewer to give him an independent financial view of the proposals initiated by his military staff, before he committed himself to them, instead of having them upset by "objections" at a later stage. This change worked so well in reducing friction and producing economy that it was agreed to accredit the finance representative (preserving his full independence) to the D.G.O. as his "Financial Adviser"; and the system, in full working order, was soon after extended to other departments of the War Office and to the Headquarters of Commands under the recommendations of the Dawkins Committee—though it was nearly wrecked a few years later by the Esher attempt to make finance the mere "handmaid" of administration.

Recent publications have thrown fresh light on the genesis of our General Staff. In the notice of Lord Fisher in the Dictionary of National Biography it had been incorrectly stated that he drafted the report of the Esher Committee and his colleagues accepted its principles from him; and in the same publication it is stated that Lord Roberts, "as Commander-in-Chief at the War Office, had no organised general staff to support him and did not know how to set about getting one." In outline, the facts are that Lord Esher (formerly Private Secretary to Lord Hartington) revived his old chief's proposal (see page 69 of book) to abolish the Commander-in-Chief and set up an Army Council on Admiralty lines. Having, in his characteristic way, squared the Prime Minister (Balfour) and King Edward, he appended a note to the Elgin Commission's Report on South Africa, making (on Wolseley's lines) the Adjutant-General *primus inter pares* of the military members, with a Director of Military Intelligence as junior member; and the famous Committee (p. 78) was set up, at his suggestion, to carry the principle into action as *res judicata*. Lord Roberts, after his return from South Africa, had ordered the preparation of a staff manual for armies in the field, to put an end to the confusion he had found there; and Ellison (p. 78), the Secretary to the new Committee, had recently completed the draft, with Lord Roberts's approval in the face of much military opposition, based on Wellington's staff organisation with (1) the Quartermaster-General, head of the staff for operations of War and Intelligence, as his right-hand man; (2) the Adjutant-General dealing with personnel,

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and (3) the Commissary-General for matériel and transport. This approved draft, communicated to the Committee, was adopted by them to govern the analogous but not identical question of the distribution of military duties between members of the Army Council; but subsequently a fourth Military Member was added to the Council for manufacture of munitions and construction of permanent works, &c., which lay outside the staff work at Army Headquarters; and finally the Committee changed the title of Wellington's Q.M.G. to Chief of the General Staff and that of his Commissary-General to Q.M.G. to conform to Wolseley's virtual abolition of the Q.M.G. in 1887 as an officer "who had no longer any duties to perform." Thus Esher, taking advantage of the temporary dictatorship he had secured, carried through a vital reform which would in all probability have been whittled away to nothing under more orderly procedure; but for the reassertion of the principle that "Operations" form the most important duties of a Commander's staff—duties for which Wolseley had strangely forgotten to provide in 1887—the credit belongs to Roberts and not in any degree to Fisher. The further changes in allocation of duties to Members of Council in 1927 (p. 320), which Mr. Gordon chronicles but cannot criticise, involving (as they do) the addition of a fourth great staff officer at Army Headquarters, and so destroying the unified control of all matériel and transport by the Q.M.G. *in the field*, constitute a most important new departure which has still to be tried out; but that is an Army, not a War Office, question.

In recording (p. 247) that the Army Council sits annually as an Estimates Committee to determine the relative priority of all the services competing for inclusion in the new Estimates, no mention is made of one detail to which great significance formerly attached. The Secretary of State took the chair at those sittings for a few minutes only, telling the Committee formally the total to which they should work and referring to any services which might have political importance. He then withdrew, leaving in the chair not the Deputy Chairman of the Council (Parliamentary Under-Secretary) but the C.I.G.S., so marking the special responsibility of that Military Member, whose distinctive sphere is preparedness for war, for the allocation of the available funds.

It is stated (p. 216) that the County Associations administering the Territorial Army are financed by War Office grants, "and the expenditure of these public monies is subject, of course, to control by the War Office." It might have been explained that, to prevent interference by that Office in business details, a special financial system was devised under which the Associations' accounts are audited by professional accountants employed by the Associations,

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and their reports are sent to the War Office with only a statement under prescribed heads of income and expenditure. Grants not spent are not surrendered to the Exchequer but carried over; and an annual return is presented to Parliament showing the accumulated savings in the hands of each Association.

I must confess myself beaten by Mr. Gordon's concluding and most cryptic utterance: that "possibly the War Office can fulfil a function even more important than that of extracting the last six-pennyworth of value for the Army from the means allotted to it, in providing lessons from its own history for those who determine the policy of defence"; but one lesson for Governments and Secretaries of State seems to me to be writ large all down the scroll. Only at two periods in the last eighty years has the Office been given a sound organisation logically worked out from clear principles; let such an organisation never again be destroyed by tinkering it to suit the supposed special aptitudes or claims of some outstanding man of the moment.

C. H.

They Have Their Exits and Their Entrances

THE ENTRANCE TO INDUSTRY

THE EXIT FROM INDUSTRY

Two Reports published by P.E.P. (Political and Economic Planning), 16, Queen Anne's Gate, London, S.W.1. Price 1s. each (1s. 3d. post free).

MANY schemes have been put forward in recent years for lessening the pressure on the labour market either by pensioning the older workers or by raising the school-leaving age and so reducing the supply of juvenile labour. Both these reforms are socially desirable quite apart from the contribution they could make to lessening unemployment among workers in the prime of life; and there are special reasons for advocating both at the present time apart from their effects on unemployment. Having raised the school-leaving age to fourteen, we have increasingly come to realise that we cannot make the best of this extended schooling without raising it further, so as to make possible a satisfactory course of secondary education for all normal children. Both industry and politics require a more educated and intelligent, and also a healthier, body of citizens; and it has come to be realised that these requirements are inconsistent with full-time employment during the formative years of adolescence. At the other end of the workers' life, jobs are growing harder to find for those past middle age, who are apt to lack the adaptability, if not the physical strength and nervous stability, needed for the types of work

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in which there are most openings for additional labour. The growth of "rationalisation" has therefore combined with the depression to strengthen the case for at the least an opportunity for voluntary retirement from industry, with an adequate pension, at an earlier age than 65.

Against this it is argued that before long the population of Great Britain will begin to fall, and that this will cause in a few years' time a positive shortage of juvenile labour, which is said, because of its cheapness, to be essential for maintaining the competitive position of British industry. It is further argued that, as the relative and absolute number of older people in the community is destined to increase, any system of pensions will impose a heavy liability on the adults whose labour must support all those who are under or over the age of employability.

In face of these contentions it is an excellent thing that P.E.P. has produced these two careful and well-reasoned reports. In the minds of their authors there is no doubt of the expediency and financial practicability of both raising the school-leaving age and providing retiring pensions for the older workers. Boadly, the first report, on *The Entrance to Industry*, proposes that the age of full-time school attendance should be raised at once to fifteen, and that over the next few years a system of compulsory half-time day continuation schools should be introduced stage by stage for all children up to eighteen. It is estimated that the effect of the proposed changes on the labour market would be that approximately half a million additional workers of over eighteen would find employment by 1939. The calculations on which this estimate is based cannot be reproduced here; but they seem, while admittedly speculative, to have been conservatively made. The cost also involves a good deal of speculation. The report takes Lord Halifax's estimate, made in 1934, of £8 millions as the cost of raising the school-leaving age to fifteen, and adds a further £1 million to cover Scotland and allow a margin for contingencies. Rather more than half this £9 millions would be attributable to maintenance allowances. The cost of half-time schooling from 15 to 18 is put at from £20 to £25 millions, excluding maintenance allowances which on the scale proposed (5s. a week to 50 per cent. of those attending) would cost about £11½ millions by 1940. Total gross cost would thus come to something between £40 and £45 millions, falling after 1940 with the decline in juvenile population. But against this gross cost the report sets savings of over £14 millions to the Unemployment Insurance Fund and over £6½ million to the Treasury, making nearly £20 millions in all. Net cost is thus brought to, say, £21 to £26 millions in the early years of full operation of the scheme, allowing for savings to the Insurance Fund as well as to

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the Treasury. These calculations are admittedly speculative; but they are probably as good as can be made.

Turn now to the second report, dealing with *The Exit from Industry*. This will seem to many people very modest in its proposals, as it does not suggest for the present a pensionable age earlier than 65. It has been estimated that the additional cost of a voluntary retiring scheme at 60 would amount to from £110 to £200 millions a year for a pension of £1 a week, plus 15s. extra in the case of a married couple. The actual cost would depend, of course, on the numbers availing themselves of the pension. The P.E.P. report rules out any scheme of this order as politically impracticable for the present. Taking 65 as the lowest practicable age for a retiring pension large enough to induce withdrawal from the labour market, the report calculates that the maximum number of persons between 65 and 70 who would be eligible would be about 740,000, of whom about 311,000 are at present actually in employment, about 234,000 retired or unemployed, and about 195,000 were not in "gainful" employment. But how many of those seeking employment would actually accept a pension conditional on retirement from the labour market? If all the already retired, all the unemployed, and half of those now in employment accepted the pension, the total retirements (excluding wives) would number 390,000, of whom 156,000 would be actually drawn from the ranks of the employed. To these totals must be added about 550,000 persons over 70 (excluding wives not in the labour market) who are now in receipt of contributory pensions on the existing scale. Of these persons over 70 about 160,000 are at present employed. On the basis of these figures the total number of supplementary pensions to be provided would probably be from 940,000 to 1,094,000, according to the proportion of workers now employed who decided to avail themselves of the scheme. The total cost, at 10s. a week for each man, 10s. for each wife under 65, and 5s. for each woman over 65, is estimated to work out at from £27 to £32 millions a year in the earlier years, rising to a very much higher figure as the numbers in the higher age groups continue to increase. Against these costs are to be set savings in unemployment payments, poor relief, and other social services, which are put tentatively at from £5½ to £8½ millions in the earlier years, these figures correspondingly roughly to the minimum and maximum figures of total cost for these years. Net cost would thus be from £21 to nearly £26 millions, rising rapidly beyond these amounts in later years.

These charges the report proposes should be financed on a contributory basis, like that of the existing contributory schemes. It suggests a weekly contribution of 3d. each from employer, workman

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and the State, which would cover the gross cost of the scheme in the earlier years, even if all those who would be eligible took advantage of it. It is pointed out that, high as the cost may appear in relation to the prospective results, the longer the problem is left untackled the more intractable it must become, owing to the rise of numbers in the higher age groups.

Obviously this second report raises far more debatable issues than the report on *The Entrance to Industry*. It is, however, urgent, in view of the prospective continuance of unemployment at a high level, to deal promptly with the growingly difficult problem of the older workers; and, in face of the resistance to be expected to any general pension scheme on grounds of expense, it is probably out of the question at present to fix a lower age-limit than 65. If, however, this limit is to be accepted, the desirability of a contributory basis for the increased pension seems highly questionable. The sums exacted in contributions for health, pensions and unemployment benefit are already large in relation to the lower wage-incomes; and an addition to the burden would hardly be accepted with equanimity. Unless, therefore, it were possible to reduce materially the level of contributions under the Unemployment Insurance Act—and I doubt if it is at present—there is a strong case for holding that the cost of any additional scheme ought to be met wholly out of general taxation. It is certain, as the report contends, that no widespread provision will be made on an adequate scale by anything short of a State scheme; for existing private schemes are few in number, provide for the most part very small amounts, and are out of the capacity of depressed industries, in which the need is greatest, or of industries in which labour cost forms a large part of total cost. If we desire, as we should, to pension off the older workers who are increasingly affected by unemployment and whose success in finding work means keeping younger people out of jobs, we must face the cost of a publicly organised scheme, and of providing under that scheme allowances sufficient to provide for honourable retirement from the labour market.

G. D. H. C.

Papers of Charles V. Chapin, M.D.

Edited by CLARENCE L. SCAMMAN, M.D. (New York: The Commonwealth Fund. London: Oxford University Press.)

In these very readable papers Dr. Charles V. Chapin covers a wide field. Many of the opinions to which he gives expression, though in advance of the time at which they were written, are now generally

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accepted. For example, the futility of terminal fumigation as a means of stopping the spread of infectious disease is now regarded as proven though in many places it is still carried out, chiefly for the opportunity it affords of reminding the public of the universal value of cleanliness. There is nothing like a little foul-smelling gas in a room to induce its owner to open the windows, perhaps even go further and submit the room and its contents to a much-needed "spring clean."

Hospitalisation of infectious disease is another matter on which he has doubts not as a means of treatment but as a method of control. In that attitude he has the support of most public health experts. But in case he may be misunderstood it is well to point out that he still believes it desirable, nay, necessary in crowded communities and where there is poverty and bad housing, to use the isolation hospital to its fullest extent.

In other directions Dr. Chapin is inclined to dogmatise a little too much and to be, if anything, too heterodox. As an instance, his attitude towards dirt and insanitary conditions as a cause of disease. No one with any knowledge of epidemiological facts can deny the influence of bad sanitation on the incidence of typhoid fever, of dirt as represented by the louse on typhus fever or an impure atmosphere on respiratory infections. There is the same tendency to-day in some quarters to minimise and discredit the importance of environment as a factor in the maintenance of the public health and, to my mind, it is an unfortunate tendency. Even Dr. Chapin is not sure of his ground for he contradicts himself in one or two places. Thus after damning in no uncertain way the expenditure of public funds on sanitary inspection, we find him on page 32 saying: "The campaign against typhoid fever is very profitable. It has been shown that the cost of protecting the water supply is amply repaid by the prevention of sickness and death. It has also been demonstrated that the removal of privy vaults markedly diminishes typhoid fever." Or again, on the succeeding page (page 33) where he states "that there is evidence too that dirty milk causes disease which clean milk would prevent." If dirt in any of its multifarious forms can be shown to cause disease any expenditure to get rid of it is worth while.

With Dr. Chapin's opinion on air-borne infection, I cannot agree, or at least, I cannot go as far as he does. Here again, he is uncertain of himself, for, after deriding the possibility of infection being carried by air, he commits himself to the statement that "droplet infection" is a definite cause of spread. Now by what route if not by way of the air do the infected droplets reach the victim? If it is the distance of travel of the droplets that is in question then the answer surely is

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that we do not know how far a germ-laden droplet will travel and still be capable of causing mischief.

The same argument might be used in dealing with his conception of the word "contact." Contact does not necessarily mean inches between the infected and the non-infected, it may quite as effectively be feet or yards. "Fruit handled by a patient with scarlet fever and eaten by a wardmaid who afterwards developed the disease," is spoken of as "contact," and so it may be, but it is not direct contact, and there are those who would argue—and with a certain amount of truth—that it was not "contact" at all.

Dr. Chapin's views on the need for greater accuracy in the use of statistics in relation both to epidemiology and general health are sound though some of his suggestions are impracticable.

His habit, which is apparent throughout the papers, of setting up windmills just for the pleasure of knocking them down, is intriguing, and adds just that piquancy to his arguments which make them so refreshing and attractive.

His style is easy and fluent and the English, apart from certain Americanisms, exceedingly good.

The papers are a worthy memorial to a leading figure in American public health whose name and work is as much honoured on this as on the other side of the Atlantic. I can unhesitatingly commend the book to all who are interested in the history and progress of preventive medicine.

J. JOHNSTONE JERVIS.

The A.B.C. of Budgets

The Budget in Governments of To-day. By A. E. BUCK. (Macmillan & Co.) 12s. 6d.

VISCOUNT SNOWDEN's pronunciation of the word "budget" may serve to remind us that it is derived from the French *bougette* or "little bag." Both *bouge* and bag are said to be derived from the low Latin word *bulga*, which has also given us "bulge." Etymologically, therefore, as well as financially a budget appears to be something with a bulging propensity. Mr. Buck's monograph surveys the world from China to Peru, and describes with acumen and impartiality both the tendency of budgets to bulge and the methods adopted by Finance Ministers and Treasury officials, with varying degrees of success, to check this inherent vice.

Each chapter deals with a different aspect or stage of the budgeting process with illustrations drawn from the principal countries. The selected bibliography contains references to the best books on public finance and budgets in Great Britain, the United

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States, Europe, the British Dominions, Russia, the Far East and Latin America. Nothing quite so comprehensive appears to have been attempted before, and the book should provide a useful background and supplement to the official *Memoranda on Public Finance* published by the League of Nations.

For an academic study the arrangement of chapters by subjects rather than by countries is no doubt the right one, but it involves a certain amount of repetition and overlapping. The administrator who wants to use the book as a work of reference and get a connected picture of budgetary procedure in any one country would have to consult the excellent index, but even so he would not necessarily get all he wants. For example, the Irish Free State gets only two mentions and eleven lines, while the State of Maryland is mentioned fourteen times in five separate chapters. This is, however, a defect of the book's virtue, which is to bring out similarities and contrasts in the technique adopted in the United States and older countries with a longer budgetary tradition.

An introductory chapter summarises historical developments from the origin of the budget, which the author traces to Magna Charta, down to post-war budgetary confusion in all countries. The account of the budget in Soviet Russia is little more than a summary of the Soviet system. An attempt to relate it to Communist economic theory might have repaid study.

The next three chapters describe the political setting of the budget. Both democracies and dictatorships have their weaknesses and neither can claim a monopoly of budgetary efficiency. The relations of legislature and executive and of federal and local governments are discussed; and it is shown how the budget reflects social and economic policy in each country. With the extension of State activity and the growth of the administrative machine there is an inevitable tendency for the executive to grow at the expense of the legislature, and for central or federal governments to absorb fields hitherto left to local initiative.

In Chapter V the author presents what may be called the formal logic of budgets—*universalité, unité, annualité*, ordinary and extraordinary budgets, and the question of separate budgets for public undertakings. Here again there is some overlapping in the arrangement. The question whether the budget should be balanced annually is discussed in one section under the heading of Equilibrium, and in another under the heading of Annuality. The economic implications of the budget are not the author's main concern, with the result that references to current controversies about the respective merits of balanced and unbalanced budgets in a period of acute depression are brief and inconclusive.

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The most useful chapters are those concerned with administrative technique, particularly the execution of the budget and the systems of accounting and auditing. These chapters, which are mainly confined to comparisons of the French, English and American systems, are important and interesting.

The book ends with a discussion of budgetary reform in the United States. The author shows how progress is handicapped by the rigid federal constitution and particularly by the separation of powers between executive and legislature. It is flattering to this country to note that in many of his proposals for reform the author recommends the adoption of time-honoured British procedure. In particular he advocates the appointment of a Public Accounts Committee and an Auditor-General responsible to Congress.

Mr. Buck is to be congratulated on breaking new ground and producing a comparative study of budgetary practices on so comprehensive a scale.

E. M. H. L.

Essays on the Law and Practice of Governmental Administration

Edited by C. G. HAINES and M. E. DIMOCK. xv + 321 pp. (The Johns Hopkins Press, Baltimore, and Milford, London.) 13s. 6d. net.

THIS book consists of essays by former students of Frank J. Goodnow, Emeritus President of the Johns Hopkins University, who has been called "the father of American administration." The essays are (with the names of the authors in brackets): Public Administration and Administrative Law (Fairlie); The President and Federal Administration (Hart); From Political Chief to Administrative Chief (Spicer); Judicial Review of the Findings and Awards of Industrial Accident Commissions (Haines); Retirement or Refunding of Utility Bonds (Maltbie); The Scope of the Commerce Power (Powell); State Control of Local Finance in Indiana (Bates); The Inadequacies of the Rule of Law (Thach); Forms of Control over Administrative Action (Dimock).

The essays bear the heavy imprint of the America of the New Deal, in the problems of government presented by the State of action, of the service State in contrast to the police State. Emphasis is on the need for clearing the decks for action by removal of the checks, legislative and judicial, of a more individualistic age on administrative activity, or at any rate by the substitution of new forms more adapted to modern conditions, illustrated by, for instance, Professor Hart's suggestion of a seven years' term for the President, with coincident

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terms for Senate and House of Representatives and power to the President to dissolve them. Shades of the old fathers of the constitution! If local authorities in Britain feel doubtful of their blessings, let them read the essay on State control of local finance in Indiana, and account themselves fortunate. Emphasis is laid also on positive needs, such as that for a qualified and stable civil service, central and local. Professor Dimock sets forth the safeguards provided by well organised groups of public servants with high standards of conduct and efficiency.

The essays provide an interesting picture of the strong ferment now working in the governmental institutions of the United States. The academic mind tends to formalise too much and to erect into systems measures forced by crisis. Methods and practices are apt to slip back into old grooves when the crisis passes, as the present one will pass, but the narratives and meditations of the essays refer also to permanent trends which cannot but effect lasting changes in the complicated and, may one say with all respect, in some ways immature pattern of the government of the country.

I. G. G.

The Law and Custom of the South African Constitution

By W. P. M. KENNEDY and H. J. SCHLOSBERG. (Oxford University Press.) 36s. THE authors of this work modestly suggest that their labours and researches may be of assistance towards the preparation of "the great work on the law and practice of the South African Constitution for which students, lawyers and politicians in South Africa . . . have for so long been waiting"; but the reader will feel that if this is their aim, they might well have claimed that the groundwork for further advance has been well and truly laid. This indeed is to be expected from the authors who are already well known—Professor Kennedy by his numerous and invaluable works on Canadian Constitutional questions, and Mr. Schlosberg by his illuminating study of the British Commonwealth of Nations entitled "The King's Republics."

In the main the book is devoted to a clear, if at times somewhat compressed, exposition of the facts; and it is distinguished by adequate reference to, and liberal quotation from the original authorities (Statutes, reports of Imperial Conferences, judicial decisions, &c.). In this connection particular attention might be called to the appendices which contain the texts of the main constitutional documents including the three important Union Acts of 1934—the Status Act, the Royal Executive Functions and Seals Act, and the South Africa Amendment Act.

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On major issues of constitutional controversy the authors have been content to state "the conservative view." Thus they state, as regards the questions of "secession" and "neutrality" in connection with Dominion status, that these "are not legal but political questions," and that "they have purposely refrained from entering into what still must be a political discussion."

Again on the question of the amendment of the "entrenched clauses" of the South Africa Act, they have taken the view that the powers of the Union Parliament are legally unfettered, and that since the passage of the Statute of Westminster it would not be possible for an amendment of the "entrenched clauses" passed otherwise than by the procedure laid down in Section 152 of the South Africa Act to be declared by a Court of Law to be legally inoperative. The effect of Section 152, and of the resolution of the Union Parliament (the text of which might conveniently have been quoted) which, while approving the report of the Dominion Legislation Conference of 1929, expressed the intention of observing the principles of Section 152 with regard to the "entrenched clauses," is treated now as constituting a moral obligation which may amount to a constitutional convention (or possibly a rule of Parliamentary procedure).

It is interesting to note that the authors have no doubt that under the Statute of Westminster (and apart from the special provisions of Section 106 of the South Africa Act) the Union Parliament has full power to prevent appeals by special leave to the Judicial Committee of the Privy Council. This point is at the present time (March, 1935) being argued before the Judicial Committee in relation to Canada and the Irish Free State.

One notable exception to the general rule of adherence to fact which the authors appear to have laid down for themselves occurs in the section on the Provinces (Part IV). After an illuminating, if critical, survey of the history and existing working of the provincial system, they have offered clear and definite suggestions for its reform, namely to get rid of this "foreign innovation," this "hybrid conglomeration," and to return to the "tried and trustworthy system of responsible government."

One minor point of criticism may be mentioned. It is stated on page 102, in relation to the Royal Executive Functions and Seals Act, 1934, that "the King's signature will now be obtained as a matter of course and the Governor-General will only sign executive documents when it is inexpedient to obtain the King's signature." This, taken literally, would suggest what, it is submitted, is not the true interpretation of the Act, namely, that it is intended for the future to obtain the King's signature to documents of a kind which in the past it has been customary for the Governor-General to sign.

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Taken as a whole the book can be recommended as giving a clear picture of the working of a Dominion constitution in its legislative, executive and judicial aspects; for the general reader the parts of special interest will be the section on the Provinces referred to above, and that on the Government of the Natives (Part VII).

Q. Q.

SPELMAN RESEARCH STUDIES

Scope for Initiative in the Junior Grades of the Civil Service. By THOMAS NAUGHTEN, A.S.A.A.

Stabilization of Rates. By E. J. D. LLOYD.

(Institute of Public Administration.) Price 1s.

Scope for Initiative in the Junior Grades of the Civil Service.

THIS is the first of the Institute's Spelman Research Studies to be published.

The author was asked to undertake an inquiry into "the extent of the desire among officers of the junior grades of the Civil Service (grades not above Clerical) for development of their potential capacities and the means used or available for satisfying it."

The inquiry occupied sixteen months, and in the main the author relied for his material upon replies to a questionnaire issued to officers of the following grades: Clerical Officers, Writing Assistants, Short-hand-Typists, Departmental Clerical Officers (*e.g.*, Employment Clerks in the Ministry of Labour), Sorting Assistants, Counter Clerks and Telegraphists, Overseers, Assistant Inspectors, Assistant Supervisors, Postmen, &c., in the Post Office. The report does not give details of the number of forms of questionnaire issued, or the number of replies received. Mr. Naughten expresses the opinion that this is not the kind of research which yields statistics, but I think that some indication of the extent of the field of inquiry would have been useful in assessing the value of the results. As it is, the report suggests the tendency to draw general conclusions from limited evidence.

Mr. Naughten reproduces in his report the items included in his form of questionnaire. There were fourteen sections with from two to three questions under each heading. Some of the recipients said that the questions were "too hard"; others seemed to be scared stiff of opening their mouths; some were too proud to speak; and others too lazy or too stupid.

Laisser faire seems to have been the author's biggest obstacle, for he says that "except from a very small minority, the cry was, 'What's the good?'" In his introduction Mr. Naughten says that when asked to undertake the necessary research work, his first reaction to his title was similar to that of the schoolboy who was told to write an essay on the snakes of Ireland. He wrote quite simply—

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"There are no snakes in Ireland." I wonder that his first reaction was not his last!

In regard to the remaining part of his terms of reference—"the means used, or available, for satisfying" the initiative of junior civil servants, Mr. Naughten might, I think, have usefully sought the assistance of senior civil servants, particularly heads of branches, but here again, being a junior civil servant himself, he might have got a disappointing reception. Many senior civil servants would, I know, go to a lot of trouble in giving information to a visitor from America, but would find it too much trouble, or even too undignified, to give it to a junior civil servant, however important his mission, or responsible the body under whose direction he was working.

Despite his difficulties, Mr. Naughten has made a valuable contribution to a topic which should be regarded as of considerable importance to the efficiency and well-being of the Civil Service. He analyses all the drawbacks to the exercise of initiative in Government Departments. The administration of the law, the application of well-established principles and regulations, considerations of equity, taste and tradition, limit the scope of innovation, and hamper the exercise of initiative. The Post Office, which is acquiring the psychology of a big business enterprise, is throwing off the shackles which still hold the rest of the Civil Service in a pretty close grip. Mr. Naughten is right when he says that the constitution of the British Civil Service does something to hamper the exercise of initiative. He is also right when he says that British Civil Servants tend to be superior to their jobs, especially, I should say, in the junior grades.

An ever-tightening Treasury control tends towards too much standardisation of gradings and classification. Our system of recruitment by open competition leads again to precise definition of the conditions of entry and incremental progress.

The efforts of staff associations to avoid undercutting and to safeguard the staff against exploitation and the lowering of wage standards, put additional difficulties in the way of facilities being given for the exercise of initiative and scope being provided for potential capacity.

Mr. Naughten concludes with a brief resumé of the principal suggestions made during the inquiry for the expansion of the facilities for the utilisation of special qualifications or aptitude amongst junior members of the staff. To be effective, however they would need determined application by the administrative heads of departments and by the Treasury.

I would suggest that the only remedy for the cramping effect of stereotyped classification of grades and duties is the provision of much greater facilities for trying out junior officers on better work. This

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would lead, in my judgment, to the necessity for drastic curtailment of recruitment direct to the higher grades of the Civil Service. Moreover, inter-departmental transfers should be carried out on a wider scale. Square pegs should be removed from round holes.

Mr. Naughten has given the Civil Service something to think about. Here indeed, is scope for the exercise of initiative by the Institute itself.

A. L. N. D. H.

Stabilisation of Rates.

THIS is a study of an important question in local finance, the question of the maintenance of the rate poundage levied by a local authority at or near the same figure for a period of years. After an outline of the powers and duties of local authorities in regard to the levy of rates, Mr. Lloyd's study really divides itself into three: first, what are the advantages or disadvantages of adopting a policy of rate stabilisation; secondly, to what extent and with what success has such a policy been adopted in England and Wales and finally, what are the methods by which the policy can be carried out.

As a result of his investigation, Mr. Lloyd concludes that, broadly speaking, there is no financial benefit to be derived from the stabilisation of rates. Most ratepayers appreciate a stable rate level because it eliminates the uncertainty of possible increases and "creates an atmosphere of stability which encourages industrial and commercial activity." From the point of view of the local authority the policy of rate stabilisation appears to have no real significance, though it may be beneficial in assisting financial control and encouraging long-term planning. Very few local authorities, however, have achieved stabilisation for any length of time. Mr. Lloyd gives 9 cases where a formal policy of stabilisation has been adopted and 11 cases where stabilisation has been attempted without fixing the rate level and period in advance. In an interesting analysis of the rate poundage fluctuations of 269 local authorities, Mr. Lloyd shows that over a period of 10 years only 4 per cent. levied the same rate for five or more years. Other tables, however, show that the fluctuations were generally not very high; 76 per cent. of the local authorities showed an average deviation of only 10 per cent. or less from the average rate. In this connection, it is interesting to note that the metropolitan boroughs show the highest and urban districts the lowest degree of stabilisation. The explanation of the small measure of rate stabilisation is to be found in the difficulties confronting any attempt to decide the rate level for future years; new duties imposed by the State; changes in the cost of Public Assistance; changes in the industrial prosperity of the area and other changes

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which cannot be anticipated. Mr. Lloyd thinks, however, that notwithstanding these difficulties a greater measure of stabilisation could be achieved. To this end he would like to see the greater use of long-term budgeting. He appreciates the fact that however careful the maker of the budget may be, he cannot provide for all the possible changes in circumstances. He, therefore, advises that the long-term estimates should be used in conjunction with some method of varying expenditure such as rationing. He sees two difficulties in the present legal position of local authorities. First, by the decision in *Morgan v. Cardiff Rating Authority* (of which, unfortunately for the general reader, Mr. Lloyd gives but scanty details), a local authority cannot establish a rate equalisation fund. Secondly, a local authority cannot levy a rate over a longer period than one year. He therefore recommends that the law should be altered to allow both these things.

On the technical or financial aspect of rate stabilisation, Mr. Lloyd has done his work well. He has given us a valuable analysis of the methods at present in use, with comments on their efficacy where sufficient experience is available. On what may be termed the general aspect of the question, Mr. Lloyd is not so satisfactory. In particular, he shows little understanding of the ratepayer's position. He accepts the idea that a stable rate is appreciated as a constant factor in household expenditure and business costs. But this idea ignores three important facts. First, ratepayers vary from year to year, so that a person who pays a rate higher than is necessary in one year does not obtain the benefit of this in the following years if he moves from the area. Secondly, even if he still remains within the area, his financial position may have changed. The most frequent criticism against the present rating system is that it bears no direct relation to ability to pay. The force of this criticism would be increased if rates were levied to cover a longer period for the more would be the chance of a change in the ratepayer's ability to pay. Finally, the idea ignores changes in the general price level. If prices are falling a stable rate poundage means that local rates become an increasing proportion of household expenditure and business costs. The strength of these three factors may be tested by reference to a town in which a rate stabilisation policy has been successful. Between 1925-26 and 1933-34, Burnley levied a rate of 12s. in the £. In six of these years this rate represented a figure in excess of the current needs of the year ranging from 1-21d. to 8-50d. in the £, while in the other three years balances were drawn upon to the extent of from 3-70d. to 7-62d. in the £. During this period, retail and wholesale prices were falling, the cotton industry was declining and generally the period was one of upset and change. It cannot therefore be assumed that the person who paid 8d. more in the £ rates than was

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necessary in 1927-28 was the same person or in the same financial position as in 1933-34, when 8d. in the £ less than was necessary was paid. It may be, of course, that the ratepayer preferred to pay more in 1927-28 so as to obtain the benefit of paying less in 1933-34, but he may conceivably have preferred the reverse position. It may even be that there is a case for fixing the rate poundage in relation to some index of industrial activity. In any case it is clear that Mr. Lloyd assumes a too simple relationship between rates and rate-paying capacity. It may, therefore, well be that a stable rate poundage is detrimental to the interests of the ratepayer, in which case Mr. Lloyd's suggestion that the law should be altered so as to allow a greater measure of stabilisation will be hard to support, especially in view of the many practical difficulties in the way of such a policy.

Before any final conclusions are reached, however, further research of a more realistic kind than Mr. Lloyd has attempted would be required. For instance, we should require to know whether ratepayers really are more apathetic under a stabilised rate. In the Burnley example already quoted there was a 72.6 per cent. poll at the 1934 municipal elections, notwithstanding the fact that the rate has remained the same for nine years. It would be interesting to know whether in times of difficulty a stable rate is maintained at the expense of the social services. Finally, the whole question of the relationship between precepting and rating authorities would require further consideration. If, however, Mr. Lloyd has done no more than outline the nature of the problems and the financial methods involved, his work will be appreciated by all interested in public administration.

D. N. CHESTER.

Book Notes

The English Legal Tradition. By Henri Lévy-Ullmann, Professor of Comparative Law in the University of Paris. Translated from the French by M. Mitchell and Revised and Edited by Frederic M. Goadby, D.C.L. With a Foreword by Sir W. S. Holdsworth, Vinerian Professor in English Law, University of Oxford. lvi and 383 pp. (London: Macmillan, 1935.) 16s. net.

THE title of this book might cover a multitude of subjects. What it in fact covers is a historical survey of the sources of English law, made with the intention of bringing out its fundamental formal characteristics. The substance is based entirely on secondary material, the product of the researches of the modern historical school of which Sir William Holdsworth is now the leading luminary. Being made by one bred to a different tradition, the incidental comments and comparisons are of the greatest interest even to the academic lawyer to whom most of the actual material is in fact familiar. This is brought out especially in the discussion of the influence of the works of authority. The author believes that the importance of the legal writers has been somewhat minimised by the traditional school. I have not the least doubt not only that the observation is correct, but also that it is stated with unnecessary reserve. I am quite certain that the people who have most influence on the development of English law outside Parliament are not the judges who, for the most part, flounder about in false syllogisms, but the "academic" writers who have fixed categories and determined principles. It need not be suggested that these are always teachers. Bracton, Coke, Littleton, Hale, East, are obvious examples of practitioners whose influence can hardly be exaggerated. But in the modern period, beginning with Blackstone, the people who have effectively made common law and equity have been the "jurists" at whom practitioners like to sneer. Blackstone's *Commentaries* are a work of authority, and presumably he became respectable because he was made a judge (though a bad one, not, as Professor Lévy-Ullmann rather suggests, a good one). But other writers have had almost as much influence. On equity, Story (first a judge and then a teacher) has had the predominant influence. The modern conflict of laws has been created, for effective purposes, by Story, Westlake and Dicey. The modern law of obligations owes far more than is commonly allowed to the work of Pollock and Salmond.

This single example shows that Professor Lévy-Ullmann has not been content merely to expound in an elementary manner the work of the historical school. He has brought his critical mind to work in a manner which makes his book interesting even to the expert. But the value of the book will chiefly lie in its elementary exposition. Being intended primarily for foreign readers, it is a most valuable introduction to the ideas of English law. Sir William Holdsworth says in his Foreword that "English lawyers will find in it the best of all introductions to the study of the English legal system." I agree. With most systems of law the historical approach is not the best. It is usually better to begin (as, for instance, Capitant begins) with an exposition of the *reasons* which underlie the legal system. But the student who begins the study of English law with the notion that there is a reason for everything is doomed to disappointment. There are many things in English law which have no reason

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except history—which, as Bentham said, is no reason. Therefore, the student must begin with history. Later on, one may be permitted to hope, an attempt can be made to stimulate his critical mind. This, as I take it, is the purpose of what in England is called "Jurisprudence." I am sure that Sir William Holdsworth would not agree with this way of putting the case, but the conclusion is the same, namely, that this book ought to be the first of those read by the person who wishes to be introduced to English legal ideas.

A word should be said in praise of the translation. It is very good. The Editor has, by occasional notes, sought to bring the footnotes up to date. In several places in the Introduction there are, however, omissions and slight mistakes. On page xxv (note 4) the reference to the Interpretation Act should now be modified, since Dominions are no longer "colonies." On page xxix and elsewhere a reference should be made to the *third* edition of Professor Lee's book. In the same note, for "Maesdorp" read "Maasdorp," for "Van Leemden" read "van Leeuwen," and for "Le Cap" read Cape Town. On page xxx some reference should be made to the consolidation of local government law. But these are clearly but minor blemishes.

W. IVOR JENNINGS.

The Struggle for Supremacy in Germany, 1859-1866. By Heinrich Friedjung. Translated by A. J. P. Taylor and W. L. McElwee. xxxi + 339 pp. (Studies in Modern History. Macmillan.) 15s.

FRIEDJUNG'S great work on the first stage of the unification of Germany by Prussia has long been recognised as an historical classic. Messrs. Taylor and McElwee have now rendered it more widely available for English students by translating the major part of it into English, omitting only the author's detailed treatment of some aspects of the military struggle between Prussia and Austria. They have also added notes, derived from material unknown to Friedjung, where this seemed necessary. In addition Mr. Taylor has written an able and informative introduction which, by stating not only the Gross-deutsch-klein-deutsch problem, but by showing the various possible solutions, and Friedjung's own attitude to them, provides a very valuable critical apparatus for the student of the book.

It is unnecessary at this time of day to sing the praises of Friedjung's narrative. It contains the best, most concise and most intelligible account yet written of the Schleswig-Holstein question in its bearing on Austro-German relations. The story of the war of 1866 and of the diplomacy which surrounded it is a model of vigour and clarity. But what gives the work its great importance to-day is Friedjung's clear understanding that the partial realisation of German unity in 1866, and even in 1871, was no final solution of the problem. He points out that "the Germans (of Austria), as partners in a great national culture, have another alternative open to them as soon as they cease to be attached to Austria by their free choice" (p. 310). They need not "of necessity regard Austria as their home" since a greater Germany could supply it for them. And Mr. Taylor appositely quotes from Friedjung's "Historical Essays," published in 1919, "Now that Austria has fallen, our whole feeling is concentrated in affection for the race which was the kernel of the old monarchy and so for the German nation as a whole. At present," he adds, "there are obstacles in the way, but in the end we shall return to the mother-country . . ."

If Friedjung reveals the narrowness of his German patriotism in his support of the policy of a centralised German system for the Austrian dominions, if he repels by his failure to understand the national sentiment of Czechs and Croats and Serbs, he reveals all the more clearly the forces which stand behind the movement for the Anschluss to-day. It is the more ironical that this ardent

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German nationalist, whose Linz programme was adopted by the German-Austrian Nationalist Party in 1882, was, as Mr. Taylor tells us, excluded from that Party by the simple addition of one clause "No Jew can be a member of the German Nationalist Party." We are left to wonder whether Friedjung's conscious Germanism would have welcomed an Anschluss brought about by an Austrian anti-Semite?

E. J. P.

European Governments and Politics. Frederick A. Ogg. viii, 905 pp. (The Macmillan Company.) 18s.

THIS book will be welcomed by all who have read, and used, Professor Ogg's scholarly *English Government and Politics*, for the same happy treatment of matters political and constitutional with which they are familiar is here applied to France, Germany, Italy, and Russia, as well as to Great Britain. The result is an extremely readable description of the contemporary system of government in these countries. Professor Ogg is a writer of meticulous accuracy, but that does not prevent him from paying attention to the lay-out of the political landscape as a whole, since the thread of argument that runs through the book is a broad comparison between parliamentary democracies and governments under dictatorship.

The book is to be recommended to the student of political organisation for two reasons. In the first place, it provides a compact description of the governments of these countries as they existed in April, 1934, a date sufficiently near to enable any intelligent person to place in its true perspective the political news of the daily newspapers. Secondly, the book scores heavily by the excellence of its historical treatment of the subjects with which it deals. Many books on political organisation are out of date almost before they are published, but Professor's Ogg's will continue to have a use in the years to come, if for no other reason than its wealth of historical information.

Professor Ogg has written for the undergraduate student of politics, but his book should have a much wider appeal—an appeal to all who want an authoritative, if somewhat elementary, description of the political systems of European countries. The wider this class of reader is, the better it will be for the political future of the country in which we live, for it is in the highest degree necessary to enrich our political experience with that of other countries. This is particularly true at such times as the present, when so many are tempted to recommend as a panacea for political or social ills the swallowing of a foreign remedy, without making any endeavour to understand the circumstances in which that remedy originated, or to assess its effectiveness.

T. S. S.

The New Deal—and Beyond

Social and Economic Reconstruction in the United States. International Labour Office. Studies and Reports, Series B, No. 20. Geneva, 1934. 8vo, viii + 401 pp. (London: P. S. King & Son, Ltd.) Price 12s. 6d. net.

Beyond the New Deal. By David Lawrence. 8vo, 321 pp. (London: McGraw Hill.) Price 10s. 6d. net.

The American Year Book. A Record of Events and Progress for 1934. Edited by Albert Bushnell Hart and William M. Schulyer. (American Year Book Corporation, New York, 1935.) (London: New York Times.)

It is unfortunate that the magnitude and complexity of the social and economic changes now taking place in the United States inevitably baffle all but the serious student who is prepared to devote a good deal of time to following them.

Those who have wished for a factual study of changing America in reasonable compass will therefore be grateful to the International Labour Office for

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producing the admirable volume noted above. After a brief summary of the course of the depression and the recovery legislation of 1933 it proceeds to a more detailed survey of the industrial codes and the measures to relieve unemployment in their relation to wages, hours of work, prices, production and the position of organised labour. There are also chapters on the organisation of agriculture, banking and investment and monetary and financial policy. The final chapter presents a summary and conclusion, commenting sympathetically upon President Roosevelt's aims and achievements.

Although the recent decision of the Supreme Court may relegate much of the work recorded in this volume to domain of history, it will not diminish its value as a painstaking survey of one of the most astonishing administrative experiments in the annals of democracy.

The book by Mr. David Lawrence is an interesting statement of conservative opinion which, as recent events have shown, is still immensely powerful in American political thinking. As the editor of *The United States News*, a daily newspaper surely unique in the annals of journalism, he is in a position to be exceptionally well informed about the details of federal administration in the United States. His book, unfortunately, is unworthy of his opportunities. Despite his apparent desire to be impartial, he allows his rooted distrust of politicians and of the results of government interference in industry to colour his judgment of the new regime although he is careful to include nothing but praise of the President as a man. Believing, as he does, that "it is not the formal function of government to equalize economic forces or influences" (p. 123), it is not surprising if his opinions on the financing of schemes of social security from national taxation should be unfavourable. There is, however, no excuse for dismissing the subject in the partisan and question-begging manner which characterises much of his argument (e.g., pp. 139-142). Such treatment of a vitally important modern social problem is paralleled by the manner in which the fierce history of American Labour troubles is ignored (pp. 123 *et seq.*), and by arguments which depend upon caricatures of the brain trust (pp. 206-207) and by question-begging appeals to the sanctity of the American constitution and the use of the adjective "American" to describe a policy which he personally would prefer.

Although few would quarrel with his conclusion that the surest path to reform in public affairs is to improve the honesty and to strengthen the moral endeavour of private men, it cannot be said that Mr. Lawrence has offered many constructive suggestions about the way in which perfection should be sought.

Readers of PUBLIC ADMINISTRATION will, however, note with interest his frank recognition of the inadequacy of the present administrative machine to deal with the situation and his sound suggestion that there should be a central Department of the Presidency through which responsible Cabinet control of all executive offices may become a reality.

The *American Year Book*, the first issue of which was recorded in these columns last year, looks beyond the New Deal inasmuch as it attempts an impartial history not only of politics, government and its functions, economics, business, social conditions and social reforms, but it includes under the general heading of "Science—Principles and Applications" and "the Humanities" several chapters on notable advances in knowledge which have been achieved in 1934.

It is a reference work of an extraordinary wide range for which it is difficult to find a parallel in other countries. Although it necessarily dismisses many important developments in a summary fashion, as a general record it is a remarkable achievement. It is produced with the co-operation of forty-five learned societies and two hundred contributors, and grateful acknowledgment is made to the *New York Times* newspaper and to its late distinguished proprietor for assistance in its production.

F. R. C.

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Day-to-Day Pamphlets

- No. 23. *Law and Justice in Soviet Russia.* By Harold J. Laski. 44 pp.
No. 24. *Mr. Roosevelt's Experiments.* By S. H. Bailey. 48 pp.
No. 25. *A Derelict Area: A Study of the south-west Durham Coalfield.* By Thomas Sharp. 49 pp.
(Hogarth Press.) 1s. 6d. net each.

THESE are three booklets in a series dealing with subjects of current interest.

"*Law and Justice in Soviet Russia*" is an interesting description of the judicial system of Soviet Russia, excellently written, containing many interesting facts little known in this country—the entry into the legal system; the corporate distribution of cases; the courts, high and low (though not the most supreme of all) usually with one professional and two lay members; the Comrades' Court, wholly of lay members, for factory, collective farms and groups of flats, for settling minor disputes; the social background on which justice is administered; the measures adopted for ascertaining the results of laws; the reforming liberty of the prisons; the zeal for research. For Mr. Laski the system is the dawn of a new dispensation. He praises it highly, compared with our stolid supineness (not his words, but that is what it comes to). But, Mr. Laski, Russia is huge, human institutions are empirical and to be judged by results and these cannot be picked up with a shovel, and you were there but a short time: I fear me that you generalise with too exuberant confidence. Still a pamphlet well worth the reading describing a system which, even if it merits but a modicum of the praise so freely bestowed, is suggestive.

"*Mr. Roosevelt's Experiments.*" This little booklet can be strongly commended to those who want to know about the "New Deal." A wealth of information is packed into its few pages. Future generations may look upon the New Deal as a tragedy; readers may learn much of its story from Mr. Bailey's narrative. It is the story of frantic efforts to relieve, to recover and to reform, "a series of experiments" with the leader, as a Middle West farmer with a stroke of genius put it, playing by ear. It is a story largely of the chasing of mirages, with ultimate consequences none can at present tell. It is easy to criticise and the future, forgetful of the present stress, may criticise harshly. Mr. Bailey tells us, and tells us well, of events and many immediate consequences and also provides intriguing suggestions of some of the permanent changes which may ensue.

"*A Derelict Area*" is chiefly an instructive description of, and conditions in, the sadly distressed mining towns and villages of south-west Durham. Too many outbursts, a little hysterical, justified by the conditions but of no help for solution. "Scientific planning," "an industrial scheme that will direct us out of the muddle and misery of the present unplanned and uncontrolled enterprise"—phrases like these are but the opium of thought. There is no real grappling with the grim problems that are throttling the area in their unrelenting grip.

N. N.

Education for Commerce in Scotland. Jas. B. Frizell, B.L., A.I.A.A., City Education Officer, Edinburgh. (British Association for Commercial and Industrial Education.) Price 1s.

In recent years a number of reports have been published in England relating to educational systems on the Continent and in the United States of America, and it is perhaps surprising that the claims of Scotland to our notice have had to wait so long for recognition. It is at any rate with considerable pleasure that attention is drawn to the pamphlet on "Education for Commerce in Scotland" of which the author is Mr. Jas. B. Frizell, City Education Officer, Edinburgh. This pamphlet was written at the request of the British Association for Commercial and Industrial Education as a memorandum for the information of a

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sub-committee which has been investigating the problem of post-School Certificate Commercial Courses, and the Association was so impressed with the value of Mr. Frizell's memorandum that it obtained his permission for its separate and immediate publication. For this all persons interested in Commercial Education will feel indebted to the Association.

Mr. Frizell's survey is wider in scope than the investigation in which the sub-committee was engaged, but that is all to the good, and in the course of forty-nine pages we are given a clear outline of all the forms of Commercial Education which are to be found within the Scottish Educational system, and though the account is necessarily highly compressed a number of appendices provide much useful detail.

Very wisely, Mr. Frizell begins by giving a brief account of the general educational system in operation under the Scottish Education Department, without which much that follows would not be readily comprehended by readers south of the Border, and this is followed by sections dealing descriptively with the provision for Commercial Education in Day Schools—Central Schools, Intermediate Schools, and Secondary Schools, in Continuation Schools, in Central Institutions, that is to say, institutions which in England could be classed as regional Technical Colleges, and in the Universities. Later sections relate to recent developments in connection with Certificates in Commerce, to the training of teachers, and to the oft-discussed but not yet solved problems of the co-operation of Education with the Business World, and towards the end there is an inquiry into the extent to which the existing system meets the needs of Commerce.

In a brief review it is not possible to refer to all the points which arrest attention and comment must be restricted to one or two matters which are of particular interest at the present time.

As in this country, the greater part of the volume of commercial education is still conducted in evening classes, and, we are told, "it is probably true to say that Scottish tradition leans towards laying a good foundation in general education and following this up by part-time education in the theory of commerce and the acquisition of office arts along with practical training in the office, shop, or warehouse." Nevertheless, the volume of commercial instruction provided in Day Schools has steadily increased in recent years, but that the proportion of day pupils taking commercial subjects is still relatively small is indicated by the facts (a) that, whilst in 1933 approximately 4,500 Day School Certificates (Higher) were awarded, there were *presented* for these certificates only 836 pupils who were studying commercial subjects, and (b) that, whilst in the same year, 3,700 Leaving Certificates were awarded to secondary school pupils, only 159 pupils were *presented* in commercial subjects. It is significant, however, that the corresponding numbers in 1930 were 609 and 56 respectively.

Comparable figures relating over the same period to students taking evening commercial courses in Continuation Schools, Technical Schools, and the two Central Institutions in which such courses are provided—the Heriot-Watt College and the Glasgow and West of Scotland Commercial College—are not available, but that is not of much importance as, in any case, owing to the effect of the adverse conditions arising from the general economic situation, it is unlikely that they would be very helpful as a basis for inference.

The section of the pamphlet which describes the Scottish Certificates in Commerce, established in 1934, naturally suggests a comparison with the scheme for Endorsed Certificates in Commerce recently announced by the Board of Education. The two schemes have certain features in common, *e.g.*, they relate to the same type of student, and they aim at establishing a certificate having a national status and guaranteeing not merely the passing of an examination but also systematic study under qualified teachers. But there are interesting differences, and not the least important is that whilst the English plan follows

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very closely the generally accepted lines of "National Certificates" and includes such features as the submission of its own scheme of study by each individual approved institution and internal examinations (with external assessors at the final stage), the description given of the Scottish system would seem to imply a scheme of training largely fixed in content and ultimately a national examination, external in character. On the other hand, the Scottish scheme seems to have contrived to maintain the triple partnership which constitutes the essential condition for a "National Certificate" in England, and it would be interesting to know how the, up to the present, insuperable difficulties which present themselves in this country have been overcome in Scotland.

In his discussion as to how far the existing system meets the needs of Commerce, the author seems satisfied that the evening schools are performing their functions reasonably well and devotes most of his attention to the work of the day schools. Here he confesses that it is difficult to reach conclusions. Whilst, as indicated above, there has been a marked increase in the last few years in the number of commercial courses in Secondary Schools in Scotland, these schools "are still largely dominated by the requirements of the Universities and the curriculum of the large majority is determined by the needs of the comparatively few." On the other hand, Mr. Frizell points out that the requirements of the business world are as yet very largely undetermined. Two conclusions, however, stand out. First, that business houses and professional offices still prefer their recruits at an earlier age than 17 or 18; and second, that the business community are not generally convinced in regard to the desirability of the inclusion of commercial subjects in the day school system. As regards the latter, Mr. Frizell suggests that probably the antipathy is to commercial subjects as so conceived and taught, that is, with too little regard to the realities of commerce. This is a suggestion of primary importance to educationists, and in pondering over it attention might well be given to the part which should be assigned to specialised places of instruction such as technical and commercial colleges. One other thought. Is there not some danger of our regarding the business community as a homogeneous body? All firms are not Unilevers and Tootal Broadhursts. The business community includes firms of all sizes and many types. Posts bearing the same name, *e.g.*, directors and secretaries, have widely differing monetary values, and the type of candidate intended ultimately for a particular post will vary with the type of firm. There must, then, be numerous streams of entrants into the commercial world, and any scheme of reorganisation relating to Commercial Education must take full cognizance of this fact.

On many other matters than those commented upon the pamphlet has much valuable information, and it is strongly recommended to the notice of all concerned with Commercial Education.

G. H. A.

Public Works Policy: Studies and Reports—Series C, No. 19. International Labour Office. Pp. 166. (Published in the United Kingdom by P. S. King & Son, Ltd.) Price 5s. 6d. net.

IN 1909 the Reports of the Royal Commission on the Poor Laws (Majority and Minority) recommended that, as far as practicable, work undertaken by public authorities should—like the corn in Egypt—be reserved for lean years. Ten years later the International Labour Conference at its first session made a similar recommendation. More recently the idea formed an important strand in Roosevelt's and Lloyd George's "New Deals."

Clearly it is a proposal to be treated with respect, and the effort of the International Labour Office to collate the essential administrative facts of the past five years or so is interesting and opportune.

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The first chapter, "Recent Trends," is an essay on some very intractable statistics which won't compare and which do not answer the most important questions. They do, however, establish that public works—the world over—are very important; and that, when in difficulties with their unemployment problems a number of states have facilitated such works as a means of providing direct employment—and in the hope of stimulating the business world into activity.

Chapter II surveys and analyses recent discussions of financial policy as related to this problem—total costs, indirect savings, net costs, taxation and loans: Net or immediate gains, indirect gains, total gains—are among the concepts which find a place in this discussion.

Two more chapters—"Methods of operation and Conditions of employment" and "Co-ordination and Centralisation" plus a five-page summary of "Conclusions," and the tale is told.

One quotation must suffice:—

"It would . . . seem desirable that every country should endeavour to create a fund which would accumulate steadily during periods of prosperity and would be used to finance public works in periods of depression."

X. Y. Z.

Hospital Co-ordination. The Report on the Voluntary Hospitals of Liverpool. University Press of Liverpool. (Hodder & Stoughton, Ltd., 1935.) 1s. net.

PRIOR to 1929 there were three parallel hospital services in this country. Two of the three were controlled by different public authorities—the local health authorities and boards of guardians; the third consisted of the time-honoured voluntary medical charities. The resulting chaos has been eloquently described in the Minority Report of the Royal Commission on the Poor Laws. It was not until 1919 that the Ministry of Health was established and ten years later the Local Government Act of 1929 transferred Poor Law medical institutions to County Councils and County Borough Councils. This was a very big step towards the unification of the public health services; voluntary medical charities were not overlooked in the proposals for reform since the Act required local authorities to consult representative committees of the voluntary hospitals when making surveys of the needs and existing provision of the areas covered.

In some centres, schemes of co-ordination of medical charities were already well developed. Liverpool had a medical charities committee formed by the Council of Voluntary Aid (now the Council of Social Service) as early as 1910, and in May, 1932, a general hospitals co-ordination committee was formed. Those two bodies jointly invited a representative of the Ministry of Health to report on the voluntary hospitals of the city and on the completion of this, a small hospitals commission was appointed in 1933 to review the findings of the report and make recommendations for future action. This commission, which was presided over by Lord Cozens-Hardy, consisted of five members, one of whom was the Vice-Chancellor of the University. It is regrettable, for obvious reasons, that there was no woman member, especially as voluntary hospitals have not a very good record in this respect.

It is impossible in so brief a review to do adequate justice to the report of this commission which is now published. It deserves attention far beyond the city with which it is immediately concerned. Part I presents a clear and frank picture of the present situation without the slightest attempt to blur its defects. Part II offers sweeping proposals for reconstruction which seem surprisingly bold to the student of social organisation accustomed to the timid individualism of private charities. The first of these proposals envisages the amalgamation of the four great hospitals of the city under a single governing body. The second recommends that the nine teaching

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hospitals should jointly form a Liverpool voluntary hospitals committee for purposes of consideration of policy and negotiations with the municipality. It is perhaps a little difficult for the ordinary lay person to see why the eleven non-teaching hospitals should be excluded from a scheme which is intended to provide a means of combined approach to the local authority, but the report stresses the desirability of making a beginning with the larger units which most closely correspond to the Municipal hospitals.

The social student not specially concerned with problems of hospital administration will probably find most to interest him in the chapter which examines the case for the continuation of the voluntary system. A very strong case is made out, provided always that "the voluntary hospitals have the courage to set their own house in order." But possible changes in the future are discussed in no narrow spirit of antagonism to public enterprise. It is recognised that some closer form of relationship between the State and local authorities is inevitable and, as the report truly says, "English political genius has shown itself astonishingly fertile in the elaboration of agencies of State control." The Universities are quoted as examples of the desired blend of autonomy with central guidance and control and it may well be that "if they deliver the goods" the voluntary hospitals may work out for themselves the same effective technique of collaboration.

M. E.

Housing Officials Year Book, 1935. Edited by Coleman Woodbury. 72 pp. (National Association of Housing Officials, Chicago.) One dollar.

THIS is an informative handbook which must be of great value to those who are engaged on the housing problem in the United States. It contains a comprehensive account of the important features of housing work during the period of eighteen months since the Government became actively interested in the movement for low-cost housing. In a manner which will commend itself to members of the Institute of Public Administration it contains articles by representatives of the central and the local governments as well as by distinguished outside experts.

To the English reader, who may on a casual study find some difficulty in the detailed accounts of finance and organisation, the most striking feature is to be found in the reproduction of the problems with which we have become familiar in this country. "The argument goes on between those who advocate building in the city and those who advocate building outside of the city. The fight is still bitter between those who prefer the apartment and those who prefer the cottage." "It is unfortunate that real estate interests have not yet realised the differences between value and price of down-town real estate." "Not every city realised or even tried to understand what was meant by housing money, but the money idea was attractive." Through trial and error we worked out a land acquisition technique." There is no longer much argument about the social desirability of housing. Opposition is coming on other grounds, principally that this Government activity encroaches upon the domain of private initiative. Whether our housing projects will compete directly with private capital in the dwelling market depends largely upon their management and it is our intention that there will be no such competition. Whether private capital really has any field in low rental housing is another question, but there are not many who seriously contend that private capital can earn an adequate return when devoted to this kind of building activity."

These references taken at random will indicate that the interposition of the Atlantic Ocean makes little difference to the points which face the housing administrator.

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Toronto's 100 Years. By Jesse E. Middleton. (The Centennial Committee of the Corporation of Toronto, 1934.)

THE loyalty of North America's sons to their home towns is proverbial and here is further evidence that Canadian citizens have little to learn about civic patriotism from their neighbours in the United States. In this volume Toronto worthily celebrates the proud story of its amazing growth since its incorporation in 1834 when its population was 9,254, up to 1934 when it numbered some 630,000 inhabitants. It surveys in broad outline the various aspects of the life of the city in this period under such chapter headings as Domestic Life, Political Life, Municipal Life, Parks and Services, Commerce and Industry, &c. In an interesting chapter on the Great Commissions there are brief sketches of the work of the Hydro-Electric Commission, the Transportation Commission, the Harbour Commission and the Industrial Commission.

Special praise must be given to the various artists, who, adopting a uniform technique, have contributed a series of pleasant illustrations which add greatly to the attractiveness of the book.

F. R. C.

Other Books Received

Books received include the following:—

<i>Title.</i>	<i>Author.</i>	<i>Publisher.</i>	<i>Price.</i>
Police Administration	L. V. Harrison	Harvard Univ. Press	\$2.50
Protective Legislation for Shop and Office Employees	J. Hallsworth	Harrap & Co.	5/-
Manual of Library Organisation	B. M. Headicar	Allen & Unwin	10/6
City of Birmingham Handbook, 1935	W. S. Body	Birmingham Information Bureau	—
Labour, Industry and Government	Matthew Woll	Appleton Co.	7/6
The Exchange Equalisation Account	N. F. Hall	Macmillans	7/6
Institutional Economics	J. R. Commons	Macmillans	17/-
Monetary Policy and Economic Stabilisation	A. D. Gayer	A. & C. Black	8/6
Mercantilism, Vols. I and II	E. F. Heckscher	Allen & Unwin	42/-
Educational System of England and Wales	H. Ward	Cambridge Univ. Press	7/6
Municipal Year Book, 1935	James Forbes	Municipal Journal	30/-
World Politics and Personal Insecurity	H. D. Lasswell	McGraw-Hill	10/6
Bibliography of Civil Service and Personnel Administration	Sarah Greer	McGraw-Hill	12/-
Introduction to Applied Psychology	C. R. Griffith	Macmillans	14/-
The Chinese, their History and Culture	K. S. Latourette	Macmillans	21/-
Development of Capitalist Enterprise in India	D. H. Buchanan	Macmillans	21/-
His Majesty, the President	E. Hambloch	Methuen	10/6
The Need for Constitutional Reform	W. Y. Elliott	McGraw-Hill	12/6
White Man's Country (2 vols.)	Elsbeth Huxley	Macmillans	25/-
Government Career Service	Leonard D. White	Cambridge Univ. Press	7/-
Civilisation and the Growth of Law	William A. Robson	Macmillans	12/6
B.B.C. Annual, 1935	—	British Broadcasting Corporation	2/6

